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THE ORDEAL OF BRITISH GUIANA

Philip Reno

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CONTENTS | VOLUME SIXTEEN NUMBER THREE JULY 1964
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THE ORDEAL OF BRITISH GUIANA

by Philip Reno

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NOTES FROM THE EDITORS

Cheddi Jagan and the People's Progressive Party which he leads were the first avowed socialists to form a government in the Western Hemisphere. That was in 1953, more than a decade ago. They are still in office as we go to press in June of 1964. The intervening period has been one of unremitting struggle to achieve the substance of power needed to put their program into effect. The enemy has been imperialism, British in the first instance, but increasingly supported and in the last year or so more and more openly dominated by the United States. The contest has of course been an unequal one, and it appears not unlikely that Washington and London will soon achieve their goal of unseating the Jagan government. If that occurs, must we conclude that the ordeal of British Guiana, of which Philip Reno writes in this special double issue of MR, has been in vain?

No, certainly not. Despite all its handicaps and weaknesses, the PPP has given British Guiana a good government under which the masses of the people have fared distinctly better than in neighboring countries in the West Indies and South America. That in itself is no small achievement in an area of the world which has suffered as much as any other from exploitation and misgovernment. But that is not all. By taking the British and the Americans at their word when they were declaring their devotion to the principles of democracy, the Guianese have provided the world with the most devastating exposé of imperialist hypocrisy and bad faith. The country is too small and isolated to defeat imperialism in an open confrontation, but it has nevertheless been able to inflict a wound which will certainly hasten alike the downfall of that evil system and the liberation of all the oppressed peoples of Latin America and the West Indies. And we can be sure that whatever trials and suffering may lie ahead, the brave militants of British Guiana will go on setting an example and teaching valuable lessons to their continental and island brothers.

If our diagnosis is right, one phase of the struggle in British Guiana is drawing to a close and another will soon open. Philip Reno's essay therefore comes at an opportune time. Based on first-hand observation as well as conscientious research, it sums up the experience of the past and provides the necessary background for understanding the future.

(*continued on inside back cover*)

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by Philip Reno

MR

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Contents

	Introduction	vii
PART I	POLITICS AND RECENT HISTORY	
1.	Slavery, Indenture, and Colonial Rule	3
2.	The People's Progressive Party	11
3.	Carrots and the Club	20
4.	The Search for Development Capital	27
5.	1962: The Story Behind 'Black Friday'	35
6.	1963: A General Strike Halts Progress	45
7.	1964: Freedom Still Forbidden	58
PART II	ECONOMIC DEVELOPMENT	
8.	Imperialism and Underdevelopment	71
9.	Background for Economic Planning	80
10.	Sugar and Socialism	87
11.	A Bauxite Base for Industry	97
12.	Land Reform and Family Farm Agriculture	106
13.	How Colonies Pay and Who Is Paid	114
14.	Massa Day Done	122
	Postscript	129
	List of Works Cited	131

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Having expressed my thanks, I hasten to add the conventional disclaimer. None of those who were so helpful have any responsibility for errors of fact or point of view, with which several may be quite out of sympathy. I would also like to thank the Louis M. Rabinowitz Foundation for the grant which made this study possible. Again, I must stress that the point of view is my own and does not necessarily reflect opinions of the Foundation.

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Introduction

What is so appealing about the Guianese endeavor for socialism is that a country so little, and with resources so limited, has challenged empires so powerful and taken on problems so difficult. Three centuries of Dutch and British colonial rule must be lifted from Guiana's government administration, her social planning, and her economic enterprise. Half of her agricultural wealth and practically all of her mineral production are foreign-owned. There is a minimum of manufacturing; the largest Guianese-owned factory employs fewer than eighty workers—to make beer, rum, and exorbitant profits for the government's bitterest enemy, a collaborator with semi-fascist forces in the United States.

To complicate all this, British Guiana is located well "within the American sphere," as one of our visiting Congressmen put it, with old North Carolina tact and courtesy, to his British hosts. The United States government has not openly intervened in British Guiana, although the United States has pressed the British to overturn the Jagan government, and to deny the country its independence until this has been done. The direct and open American intervention has been carried out by the Christian Anti-Communist Crusade and by AFL-CIO officialdom. The story of these strange bedfellows is reported briefly in chapters 4, 5, and 6.

The Land

The Guianese people are fortunate in their land, or will be when the land is theirs. Bounded by Venezuela, Brazil, Surinam, and the Atlantic Ocean, its territory includes some 83,000 square miles—an area about the size of Kansas, or of Great Britain itself. Back of the fertile coastal strip are forests, rivers, and mountains, with a "largeness and varied glory of

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scenery peculiarly refreshing and delightful to the soul," as W. H. Hudson conceived the Guyana of *Green Mansions.*

The land has been a source of riches, although the riches have gone to foreign owners. The coastal strip is alluvial, for the most part soil from the Amazon River, carried all the way up the northern shoreline of South America by ocean currents. Many streams and four large rivers—the Essequibo, Demerara, Berbice, and Courantyne—drain the land, and transport ocean-going ships inland for 40 to 100 miles, until falls and rapids bar their way.

Inland the coastal strip gives way to an undulating peneplain—mile on mile of sand under thin topsoil which supports a thick growth of trees. Finally, toward Brazil comes range and cattle country, and toward Venezuela jungle and rain forest. This way is shut off by a sharp escarpment, 1,000 to 3,000 feet high, that parallels the coast. Back of the escarpment are mountains; the highest, Roraima, rises to 9,000 feet at the place where British Guiana, Brazil, and Venezuela meet. This great mountain, its twelve-square-mile tabletop cut off by sandstone cliffs from even the remote country around it, was Conan Doyle's *Lost World.*

The population of British Guiana numbers only 600,000, few people indeed for a country as large and potentially productive as this. Yet the land seems full of people, for more than 90 percent of the population lives on five percent of the land—the 10- to 20-mile-wide strip that runs along the 270 miles of coastline. This strip produces annually 330,000 tons of sugar for two rich British companies, 125,000 tons of rice for 30,000 Guianese farmers, and a variety of minor crops. Back of the coastal strip lie 400 miles and more of almost uninhabited and largely uncharted wilderness—not wholly lost, but waiting.

The People

Invariably, the Guianese people impress visitors with their warmth and humanity. "The people of British Guiana are generous and hospitable," a professor from India reported after a trip to collect Guianese folk songs. "I can truly say that in no

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other country have I found the government so helpful, the people so friendly and cooperative."

A hundred and forty years before, the first missionary to work for long among the Demerara slaves, a Reverend John Smith, remarked the same human traits. "Oh, how slow are my affections," he wrote in his diary, "how earthly my mind, how insensible my heart. These people who can have only an imperfect idea of the nature and the extent of the sufferings of Jesus are dissolved into tears, while I who read and meditate and preach upon the sorrow and tears of the man of grief can scarcely feel one tender emotion. 'O Lord, take away this heart of stone, and give me a heart of flesh.' "

The Reverend Smith was condemned to death by the British for being what he was not, a leader of the slave revolt of 1823, and died in prison unaware that British protest had stayed his execution. The slave revolt was remarkable because of the absence of violence by the slaves against planters and overseers who had brutally abused them. Later missionaries said that the slaves ascribed to Martyr Smith their decision to take no life, for he had taught them they should not take what they could not give. To repay Smith for teachings that had saved their lives, the planters took his life, and to repay the slaves for their moderation, displayed hundreds of their bodies in chains and their heads on pikes along the eastern coast.

When slavery was at last abolished, the planters were determined to continue to run their plantations with slaves. "No slaves, no sugar!" was their ultimatum. So under contracts of indenture the British brought in Chinese and Portuguese and Indians from India. The Indians were the only ones who survived plantation labor, and were imported in increasing numbers until today most of rural British Guiana and one sixth of Georgetown is Indian. Along seacoast roads the traveler sees Hindu temples and here and there a Moslem mosque. Outside of homes stand bamboo shelters known as *merrows,* where Indian weddings are performed, the boy never seeing the girl's face during the long ceremony.

Many Indian customs are observed throughout the country, perhaps the best known being *Phagwah,* the Hindu festival to welcome spring. *Chowtals* are sung and the *dholak* beaten.

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People throw flour and talcum powder and colored water over one another, and in the atmosphere of goodwill, hatreds and jealousies dissolve. All through the year, down Georgetown streets and along village roads Indian songs go on and on.

Some Indian practices were lost, and better so. "Caste does not survive the sea" is a Hindu maxim and, indeed, caste has not survived in British Guiana. The white ruling clique tried to introduce gradations of caste by color, but except for relatively few among the middle class, the Guianese were not affected by these anti-social values.

There are nearly 300,000 descendants of Indians from India in British Guiana, making up over 48 percent of the population. Another 33 percent of the population (200,000 people) are descendants of Africans. Amerindians, or "red Indians" as the original inhabitants of Guiana are still sometimes called, number 30,000, some 4 percent of the population, but they live in their own villages in the interior and are unnoticed and unknown except by government workers and missionaries. The other racial groups are Portugese (9,000 or 1.5 percent), Europeans other than Portuguese (5,000) and Chinese (3,000). About 12 percent identify themselves to census takers as of mixed racial background.

British Guiana, referred to in a book sponsored by the Colonial Office as a "land of six peoples," is essentially a land of three—Indian and Negro people in the coastal area and mining towns, and American Indians in the interior. "British" Guiana is hardly British at all—only eight tenths of one percent of the population is British—except in the ownership of wealth and the exercise of power.

Among the British who came to Guiana after slavery was over were some who bucked the colonial system and, without much success, tried to improve the people's lot. They all, however, suffered from homesickness, and from what a fellow Englishman described as "an invidious sentiment of joint prestige." Refusing to identify with the Guianese around them, they maintained for themselves a Georgetown corner that would be forever England. The large white houses they built, the formal parks, and the broad streets overhung with trees, give their

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part of Georgetown an air, as Paul Blanshard wrote, of "decadent elegance."

The other 99 percent of Guyana, as the country will be called when it wins its independence, is alive and vital—a people fortunate in their land, and a land made exotic by its people.

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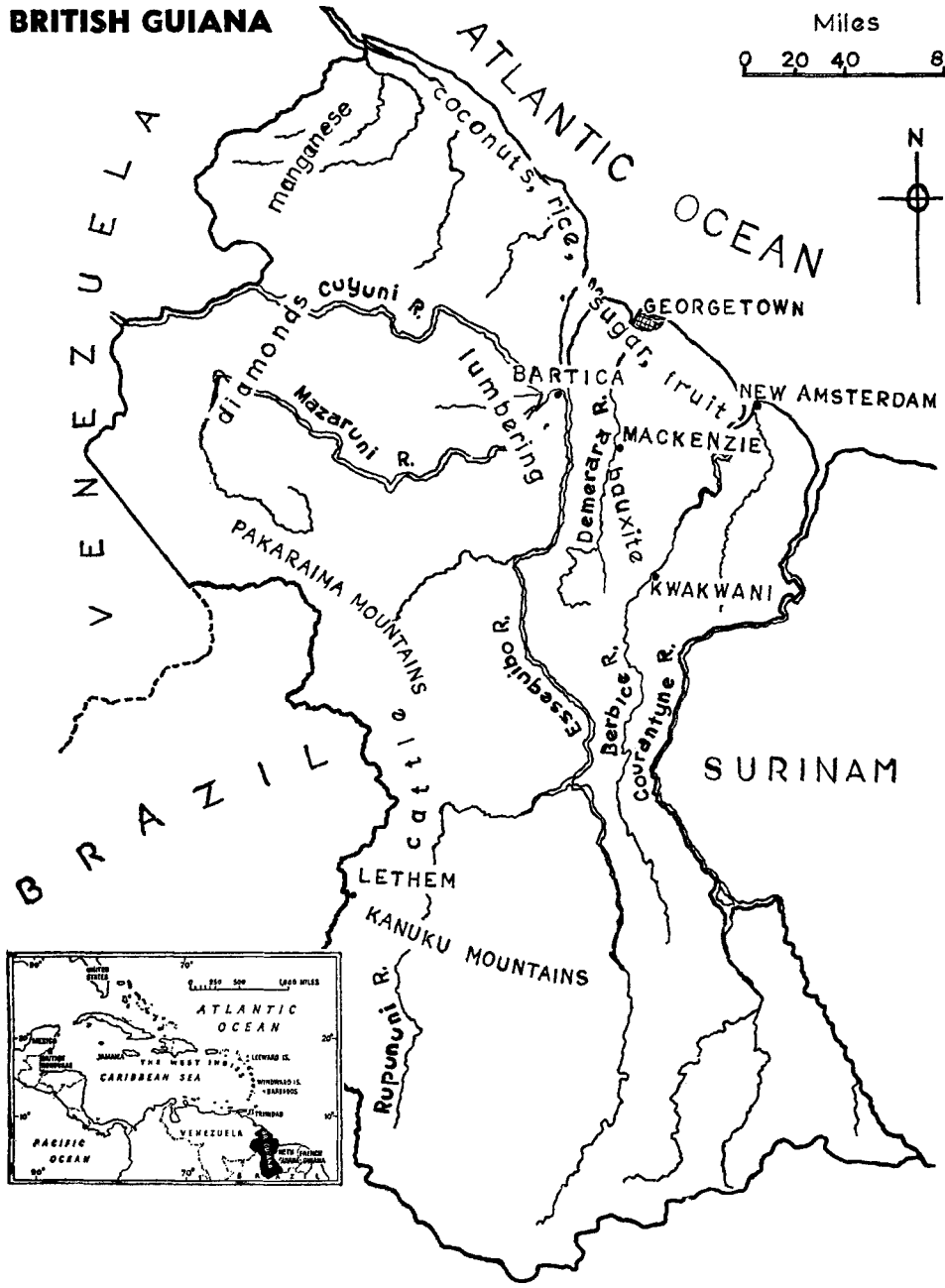

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PART I

POLITICS AND RECENT HISTORY

Only 20 years ago, less than three percent of the Guianese people had the right to vote, although 80 percent were literate. The first universal suffrage election was held in 1953, and British troops forced the elected government out after four months in office. Essentially this same government was re-elected in 1957 and again in 1961, over bitter United States and British opposition. Neither economic straits, nor incessant subversion from abroad, nor open attack has yet brought down this government, or materially weakened its popular support.

The Guianese government is one of the very few honest and enlightened governments in the Western Hemisphere, and a review of its experience lights up some problems and suggests answers to some questions that are troubling the world: Will imperialist force and subversion make impossible the democratic achievement of independence and of socialism? Can imperialist investment play a useful part in developing countries, or would it be better for a country to do without this capital and industrialize more slowly? What is the role of the native bourgeoisie and professional middle class in developing countries?—the role of the urban working class, and the peasantry? Are the relations between these classes the same in developing countries as in industrialized, imperialist countries?

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Chapter 1

Slavery, Indenture, and Colonial Rule

European discovery and early settlement of the Guianas is the story of courage, cruelty, avarice, and conquest that was the unvarying record of Europe in the New World. Settlement by whites was from the first based on slavery, and spread through the establishment of little enclaves of Dutch, English, and French masters and Negro slaves.

The whites first tried to enslave the Indians who befriended them when they arrived, but the Indians withdrew into the jungle, and fought off raiding parties. The whites then turned to the African slave trade for plantation labor, and made allies of some Indians in order to use them against the African slaves, trading manufactured goods for Indian cotton, dyes, and wood. The colonies grew and the plantations prospered, until by the mid-1700's the economy of the region had been cast in its historic form—sugar monoculture, absentee ownership, and slave labor. The political history of the region is a record of the measures adopted to safeguard this form, and to preserve as much of it as possible when it began to break apart.

Slavery and Indenture

The slavery brought by the English and Dutch was ended in the Caribbean area through struggles by the slaves themselves, although economic change and English middle class campaigns helped make their victory possible.

The first major Guianese slave rebellion began in 1763, in the Dutch settlement of Berbice. The slaves drove the planters out and managed the settlement for a time, but Dutch warships and disunity among the rebels proved difficulties too great to overcome. The Dutch took back the plantations, and roasted the leaders of the slaves to death over slow fires.

Across the Courantyne River from Berbice, in what is

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now Surinam, descendants of African slaves have lived from a hundred years before the Berbice Rebellion until today in free, organized societies. Many of these Djukas, or Bush Negroes as the Dutch call them, escaped into the Surinam forests after 1667, when the British turned the colony over to the Dutch in exchange for New Amsterdam (later named New York). In the Djuka villages, obeah shrines like those in Guinea can be seen, ceremonial dances are performed that could take place in Ghana, and the people talk with drums, which are made like Ashanti drums. The village economies were never corrupted by capitalism into exploitation of man by man. Everyone has enough (but not too much) work, somewhere to sleep, plenty to eat, and leisure for ceremony and enjoyment. No other Caribbean people has been so fortunate.

In the 1800's, West Indian slaves revolted with increasing frequency. There were slave revolts in British Guiana in 1808, in Barbados in 1816, again in British Guiana in 1823, and in Jamaica in 1824. In 1831 an insurrection began in Antigua, and at Christmas-time that year another swept Jamaica. In 1833 the British parliament abolished slavery, and provided for compensation to the planters for the loss of their slaves. In accordance with the law, 69,597 British Guiana slaves were freed, and British Guiana planters were paid 4,068,809 pounds sterling. It remained for Victor Schoelcher, radical French democrat, to point out, when slaves were freed in the French colonies, that payment should be made to those who suffered, not those who profited, from slavery.*

After abolition many planters took the compensation and abandoned their plantations. Those who stayed on demanded a labor equivalent of slavery. The slaves were willing to continue working the plantations for a wage they considered fair, about 30 cents a day. They had won their freedom through solidarity and sacrifice, and the planters were afraid they would stick to their demand. So, while the freed slaves served an enforced four-year transition in semi-slavery, the planters

* For a more thorough account of the slave revolts see Eric Williams, *History of the People of Trinidad and Tobago,* Port of Spain, Trinidad: 1962.

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began importing indentured laborers who would be legally bound to the plantations and who would work for less than the Negroes' minimum wage demand. Indentured labor was sought mainly in Portugal, China, and India but some came from Ireland and even England. (The year after slavery was abolished, trade union activity was among the crimes punished in England by "transportation" under indenture contract to the West Indies.)

The freed Negroes moved out of the plantations as soon as they could, locating on small farms. Planters and government tried through land taxes and penalties to keep them from farming and to force them to work for the wages the planters were offering. The Negroes held to their demand and some joined together to buy abandoned plantations, which they named after English abolitionists. This land they worked in common, or else parceled out among themselves, sharing in communal irrigation and drainage work under the direction of elected village headmen. In spite of economic and technological difficulties, some of these democratic village communities were maintained, and their form became the basis of the present structure of British Guiana's local government.

To ensure a supply of surplus workers that would meet peak labor requirements, and incidentally keep wages down, the planters speeded indentured labor immigration. By 1917, when Indian protests (in which Gandhi joined) ended the indenture system, 340,000 laborers had been imported into British Guiana, nearly 240,000 of them from India. Indians were better able than other immigrants to survive plantation labor, and became the backbone of sugar production. The Portuguese and Chinese moved to the villages and to Georgetown, and opened small merchant businesses.

Plantation conditions for the indentured workers were much the same as had been provided for the slaves, with the result that the death rate among them was higher than the birth rate. Of the 340,000 indentured immigrants, one fourth went home at the conclusion of their periods of indenture. The remainder, added to the 100,000 people in British Guiana when slavery was abolished, would have left 355,000 people if the birth rate and death rate had been equal. There

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were, however, fewer than 310,000 people in British Guiana when indenture ended in 1917.

The essential difference between slavery and indenture was, of course, that the indenture was temporary. The British government set a five year indenture period, under a contract providing that if the laborer wanted to return home after his five years, his return fare had to be paid, one third by the government, two thirds by the planter. Their indenture over, the Indians wanted to stay and farm. The planters wanted to keep them dependent on sugar work, but it was cheaper to let them farm than to pay their way home. The Indians were, for the most part, glad to trade their passage home for a small plot of land.

To keep the Indians in Guiana the British brought in rice paddy from Georgia. The Indians adapted the technology they remembered from India to the Guianese environment, and created a rice growing industry. The extreme difficulties they faced for years relaxed at last during the First World War, and by the end of the war rice culture was firmly established.

Colonial Government

British Guiana is a crown colony, in which all essential powers are reserved to the British Crown through the colony's Governor, "the single and supreme authority responsible to and representative of His Majesty." The British government prescribes the particulars of local government through Orders in Council, which are presented to the individual colonies as their "constitutions." Like most crown colonies, British Guiana has been given many constitutions during its history. In the last twenty years, five constitutions have been imposed on British Guiana, differing one from the other in the form of governmental structure or in the nature of the electoral process.

These last five constitutions reflect on the one hand the British commitment to extend self-government, and on the other hand the British determination (American endorsed) to withhold power from a leftist government. Previous constitutional changes reflected, basically, the development of a Guianese middle class effectively able to demand a share in local govern-

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ment. How thin a base this middle class gave for self-government is indicated by the fact, recorded in a 1939 House of Commons sessional paper, that only 2.9 percent of the Guianese people were then eligible to vote.

At the beginning of British rule in the early 1800's, the rights of local government were vested solely in the slave owners, as had been the case under Royal Dutch rule. After taking the settlements of Essequibo, Demerara, and Berbice away from the Dutch, the British maintained the Dutch governmental apparatus, simply substituting the British Crown and British Governor for the Dutch Crown and Governor. The first constitutions provided for a Court of Policy presided over by the Governor; half of its members were official members representing the crown and half were unofficial members representing the slave owners. Financial representatives of the slave owners were added, making up a Combined Court, for approval of taxes. In 1831, two years before slavery was abolished, the British merged the settlements into British Guiana. The British Guiana government was still simply state reinforcement of the plantation system—the means by which 3,500 whites, assisted by 7,500 "people of color" (originally illegitimate children of planters), controlled 89,000 Negro slaves.

The abolition of slavery made no immediate difference in class structure or governmental machinery. Property and income were substituted for slave ownership as qualifications for suffrage, but no one outside the plantocracy met the qualifications. There were in 1847 only 561 qualified voters out of over eight times that many whites and a total population of 130,000. The property qualifications for voting were relaxed somewhat in 1850 as a result of changes in land holdings after abolition, but the middle class of professionals and small businessmen was still excluded.

The beginnings of a wage economy were by this time bringing a commercial class into being, composed at first of small shopkeepers, vendors of food and hardware, and moneylenders. Portuguese and Chinese dominated these ventures, joined by a few Negroes. Soon professional men—lawyers, doctors, and judges—were needed to protect the property and lives of the increasing numbers who could afford protection. These pro-

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fessionals were mostly Negroes, and the British opened further opportunities for Negroes as the functions of government grew. School teachers were recruited by the Christian churches from among their Negro members. Police were also recruited from the Negro people, so that when there was trouble on the plantations, Negro police were called out to suppress Indian workers.

Merchants and professionals grew in numbers and influence, and as time went on these groups organized a Reform Association to press for their representation in government. By 1891 some concession had to be made, and a new constitution gave these non-planter groups representation on the Court of Policy. To make sure that British control would not be jeopardized, administrative and executive functions were taken away from the Court of Policy and given to an Executive Council, so constituted as to be subservient to the Governor. The white Guianese planters now had to share local offices with the rising Negro middle class, but the power of the major planters, based in London and exercised through the Colonial Office and the Governor, continued to be decisive in colony affairs.

Following the 1891 reforms the electorate was predominantly Negro, and a new political elite of Negro professionals and Portuguese businessmen began to emerge. In the first election under the 1891 constitution, several Negroes were candidates for the Court of Policy and one, a lawyer, was elected. The British whites held on to the appointive positions on the Executive Council but, since the Combined Court had control over taxes, financial authority in the colony passed in time to the well-to-do Negroes and Portuguese. How few these were (and how few the whites) is shown by the fact that in 1911 there were 11,000 eligible voters out of a population of 309,000.

The First World War gave Indian rice farmers and merchants a solid economic base, and the 1921 census revealed 350 Indians in the professions. The number of Negro lawyers, doctors, and particularly civil servants had also grown considerably.

In 1922 the first labor union in any British colony, the British Guiana Labor Union, was organized among Georgetown waterfront workers by Herbert Nathaniel Critchlow, who

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then walked the docks searching for work in vain. An extension of democratic rights was long overdue, but the whites and native middle class opposed the extension of suffrage, particularly in view of the fact that the colony's financial position had been deteriorating, and sugar demanded a firmer colonial policy. Constitutional changes in 1928 kept the property restrictions on suffrage, and removed the elected representatives' control over local finances, thus tightening the Governor's control.

The depression of the 1930's stirred unrest throughout the West Indies. In British Guiana, Ayube M. Edun organized a union of Indian sugar workers, which he named the Man-Power Citizens' Association (MPCA). Guianese sugar workers marched on plantations demanding work and better wages, and, when met by force, set fire to cane fields and assaulted constables. Strikes and rioting erupted in Trinidad, spread to Jamaica and outward through the Caribbean. The Royal Navy and Royal Marines were busy putting down protests, and the British named a West Indies Royal Commission to investigate. Some funds were granted for colonial development, and the repressive West Indian trade union laws were imperfectly reformed. War was coming on, however, and, apart from setting up recruiting stations, the British paid little more attention to the Caribbean until 1943.

In that year the British took up the West Indies Commission's recommendations for constitutional reform. British Guiana was granted a broader measure of self-government. Property qualifications were reduced for members of the legislature, and the number of elected members was increased to a majority. The Governor retained control of the Executive Council, and kept the right to disallow or pass legislation against the wishes of the legislature. An election and new government under the constitutional revision were promised after the war was over.

The election was held in 1947, but few could vote, and almost the same old clique of politicians, speaking for the whites and the richer Negroes, Portuguese, and Indians, was returned to office. The times, however, had far outrun the capability of such a government to protect the British owners.

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Pressures for independence were reinforcing the pressures for reform, and the British appointed a new commission, the Waddington Commission, to investigate.

This commission recommended, and the British government granted, a new constitution, providing for the first time that elected representatives would have a major responsibility in running the country. Suffrage was universal, except for a literacy qualification, for those 21 years of age and over. A bicameral legislature was created, consisting of an elected House of Assembly, and a State Council with a majority of members "nominated" by the Governor. An Executive Court of Policy consisted of the Governor, two of his staff, six members elected by the House, and one chosen by the State Council.

Dr. Cheddi Jagan was among those who testified before the Waddington Commission. He demanded independence and social reforms on behalf of the recently organized People's Progressive Party.

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Chapter 2

The People's Progressive Party

The sudden rise of political consciousness and activity in British Guiana, compressing into twenty years the advances of more than a century in Western Europe and North America, has been closely tied to the history of the People's Progressive Party, and interwoven with the Guianese emergence has been the political life of Cheddi Jagan and his wife Janet. This story begins in 1943, when Cheddi returned with Janet to the rural village of Port Morant in British Guiana's Berbice province, where his father and mother lived.

Father Jagan was a foreman on the Port Morant sugar estate, and Mother Jagan a remarkable Indian matriarch. Cheddi was the oldest son, and the family saved and borrowed money to send him to the United States to college. There he worked to help pay his way through Howard University, where a number of young Guianese go for higher education. From Howard he went on to make his way through dentistry school at Northwestern University.

Cheddi and Janet met in Chicago, where she was a nursing student, and they were married before he started home. He was one of the first boys from the Berbice area to gain an education abroad, and he was welcomed back with community rejoicing. After a time, Cheddi and Janet moved to Georgetown, where Cheddi opened a dental office. He was soon doing well, and the office became a center for talk about independence. Walking down Water Street one day, the Jagans saw R. Palme Dutt's *The Problem of India* in a print shop window. Inside the shop they found Jocelyn Hubbard, then Secretary of the British Guiana Trades Union Council (TUC), who became a co-worker in all the political events that followed.

There were a good many unions in Georgetown by this time, 23 in all. Unions were the base of the independence movements developing in Jamaica and Trinidad, and the British

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Guiana TUC had in 1945 led in organizing the Caribbean Labor Congress, representing most of the unions and socialist parties around the Caribbean. The Jagans found a number of supporters in the Georgetown unions, including Ashton Chase, who had taken H. N. Critchlow's place as Secretary of the British Guiana Labor Union. With Jocelyn Hubbard and Ashton Chase, the Jagans set up the Political Affairs Council, called PAC like the American labor political organization. The British Guiana PAC began to issue a mimeographed bulletin.

Women had never taken part in British Guiana politics, but were now becoming active. Janet Jagan, with Mrs. Stafford and Winifred Gaskin (later to become chairman of the People's National Congress, opposition to the People's Progressive Party) founded the Women's Political and Economic Organization. Later, in 1951, when Cheddi, Forbes Burnham, and Janet were candidates of the People's Progressive Party (PPP) for the Georgetown Council, Janet Jagan was the only one elected.

In the 1947 election, before the PPP was organized, Cheddi Jagan had run for and been elected to the Legislative Council—the only opponent of imperialism to survive the property and income qualifications for voting. In the Council he introduced legislation for various reforms, including an elected rather than an appointed Rice Marketing Board, and a minimum wage of $1.20 (B.W.I.) a day.* Both measures were defeated.

The narrow circle that ran British Guiana took the same attitude toward reformers as they did toward reforms. When Jagan went to a sugar estate in his own constituency to ask that contaminated water be drained from around the workers' homes, the estate manager greeted him by demanding, "Do you know you are trespassing?" Later, a suit was filed against Jagan for damages of £1,000 for the trespass.

The next year sugar workers on the Enmore Estate just outside of Georgetown struck. There were by this time two unions among sugar workers—the Man-Power Citizens' As-

* An Eastern Caribbean dollar ($ B.W.I.) is worth about sixty cents in United States currency. Throughout this book, unless otherwise specified, monetary values will be expressed in Eastern Caribbean dollars.

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sociation, now favored by the sugar companies, and the Guiana Industrial Workers Union (later named the Guyana Agricultural Workers Union), which carried on more militant union campaigns. The GIWU led the Enmore strike, which lasted for over four months. Toward the end, police shot into a demonstration in front of the Enmore factory, killing several workers. The Jagans actively supported the Enmore strikers, and the massive demonstration following the shooting put their pictures in *Time* magazine—the first occasion on which Guianese achieved this doubtful honor.

The British appointed a commission to investigate the Enmore disturbances, and the commission, after deliberating for the usual length of time, concluded that the sugar estates should undertake reforms. In time some such reforms were begun, but by then the impetus for effective reform had long subsided. And by then Her Majesty's Labor Government had named the Waddington Commission, and Cheddi Jagan had testified before it on behalf of the People's Progressive Party.

Cheddi and Janet Jagan, Jocelyn Hubbard, Ashton Chase and others had organized the PPP, as it was known from the outset, in 1950. The party found its rural base among the sugar workers, then nearly 30,000 strong. The Indian peasant farmers and small rural merchants and millers had never organized politically, and adopted the PPP as their own. The Georgetown unions, Negro in membership, numbered various PPP leaders among their officers, including Jagan, Chase, Hubbard, and L. F. S. Burnham, a young lawyer just back from college in London. The Georgetown workers and progressive middle class made up the urban base of the PPP.

From the first the party was interracial. Political organization among the middle class had in the past been characteristically racial, the League of Colored People for the Negroes and the East Indian Association for the Indians. The PPP named Cheddi Jagan, an Indian, as Parliamentary Leader, and L. F. S. Burnham, a Negro, as Chairman. A few years later, when Burnham left the PPP and took most of its Negro membership with him, he was succeeded as Party Chairman by another Negro, Brindley Benn. A good many Negroes stayed with the PPP, so that its executive and working committees and

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youth and women's auxiliaries are interracial. One third of the PPP legislative representatives are Negro, two thirds Indian. Jocelyn Hubbard, who carries what he describes as the universal passport, a white skin, has consistently been a party officer and legislator.

One of the PPP's first endeavors was to launch a newspaper, *Thunder*, to publicize its program. The program featured independence, social welfare measures, and economic development. Specific planks called for a social security system, workmen's compensation for injury on the job, public rather than church control of education with an expanded scholarship and school construction program, a land tenure law and land settlement projects, low rent housing, an increase in income taxes and a decrease in indirect taxes, and measures to attract new industries. Along with these specific planks, the party announced its support of socialism.

The whole platform, including both the immediate issues and the long-run commitment to socialism, matched the programs that leading Jamaican and Barbadian political parties were advocating without alarming the British in the least; in fact, it was the same platform the United States-favored People's National Congress was later to adopt for British Guiana. Yet the British and Americans were desperately alarmed about the PPP. Fear of communism was the reason given for the British and American alarm. Events that followed made clear just what they were afraid of.

The PPP adopted a constitution providing for annual party congresses to adopt platforms, elect officers, and generally determine party organization and policy. Party groups, governed by membership meetings, were created in the local areas, and these groups elected the delegates to the party congresses. This democratic structure may have been the party's most important contribution to West Indian political life. Political parties in the West Indies, including the Jamaican and Barbadian parties advocating socialism, have typically been one-man instruments. Such politicians and parties are easy for the British and Americans to deal with, since the leader can make any decision he wants to. The PPP's democratic government must

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have given the United States and Britain disturbing evidence of its radical intention.

The British and Americans were also alarmed by the books and pamphlets that the PPP brought into British Guiana and distributed by the thousands. These publications were produced in England by the English Left primarily. Almost all were anti-imperialist and some were socialist and communist. All were on sale in London, but the British Governor found them dangerous in British Guiana, and banned a long list of them. By one of the coincidences that light up history, at almost the same time that the Governor announced his ban, the British government declared from London that it was extending to all its colonies the Convention of Human Rights, which particularly affirms the right to receive and to impart ideas through any medium. Before long, the Governor also banned several West Indian labor leaders of radical reputation from British Guiana.

The Governor next seized several bundles of books directed to the PPP, and burned them. The British were growing increasingly nervous as the PPP campaign gathered strength. The party kept on distributing all the books it could, and for a time British Guiana experienced one of those onrushes of intellectual life that occur during rapid social change. At least half a million books and pamphlets had been brought in and sold by 1952, when Lionel Luckhoo introduced a motion in the Legislative Council prohibiting "the entry into the colony of literature, publications, propaganda or films which are subversive or contrary to the interest of the public."

Lionel Luckhoo was a well-to-do Guianese who had long been a successful politician. He was in 1952 a "nominated" (by the Governor) member of the Legislative Council. At this time, and on through the 1953 elections, he was also president of the Man-Power Citizens' Association. His presidency of the union brought about the full identification of sugar company and MPCA interests. After the Luckhoo Undesirable Publications Act passed the legislature, the election campaign gathered steam, with the censorship act a key issue.

Luckhoo was defeated in his bid for election to the new Legislative Council. In fact, almost the whole old, privileged retinue of politicians was turned out—sugar company repre-

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sentatives, spokesmen for racist organizations, British henchmen. The PPP won a majority of all votes cast and 18 out of 25 elected seats; Luckhoo's National Democratic Party won two seats, and four went to independents. All agree that the campaign was peaceful and orderly, and that election day itself was a massive demonstration, the more effective for its quietness, for a new deal under a PPP government. The election turnout, over 73 percent of those eligible to vote, and its spirit promised social achievement for a unified people.

Forbidden Freedom

The short PPP term of office, its accomplishments, frustrations, and meaning have been detailed in Ashton Chase's booklet, *133 Days Toward Freedom in Guiana,* and in Cheddi Jagan's *Forbidden Freedom*. The latter book was published in five languages and three editions, and the story is well enough known to make it unnecessary to recount here the various events that shattered the hope and promise of the election day of 1953. A brief summary of these events, however, can clarify the course of recent history in British Guiana.

In accordance with the British Guiana constitution, the Governor asked Jagan, as leader of a substantial parliamentary majority, to form a government. The PPP named its ministers, and its legislative representatives set out at once to fulfill its election pledges.

Repeal of the Undesirable Publications Act was passed by the legislature, and the ban on entry of the West Indian labor leaders was removed. The Rice Farmers Tenure Act was amended to extend help to tenant farmers during drought, and to provide that if a landlord did not keep up his part of drainage and maintenance work, the government would do the work and charge him for it. (Existing law provided that the tenant could be evicted for failure to keep up his part of such work.) Lionel Luckhoo charged that the PPP amendment was totalitarian dictatorship, and the Governor's State Council vetoed it, and went on to veto repeal of the Undesirable Publications Act. The Governor obviously was ready to admit neither the need for such reforms nor the Guianese right to adopt them over his opposition.

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In the meantime the British Guiana government was running into difficulties because the civil servants preferred to deal directly with the Governor's Chief Secretary rather than through the government ministers. Civil servants would send communications their minister had directed to another department to the Chief Secretary rather than the addressee. Thus letters would take several days en route from one department to another. The Guianese were ministers in name only.

In the legislature, the PPP introduced a measure for taxation of unused land, and a bill increasing the number of government scholarships for Guianese students. The British had provided only two, one for a boy and one for a girl, for all of British Guiana. Applications by large landlords to lease further crown land were denied. An investigation of the pay and working conditions of domestic servants was begun; the operations of the Public Works Department (popularly known as the Public Waste Department) were also investigated, with special reference to the expenditure of $96,000 for three houses for senior government employees. An appropriation was refused to send delegates to meet the Queen in Jamaica, on the ground that $100,000 had recently been spent on the coronation.

While these PPP governmental endeavors were alarming, two others particularly aroused the British and their Guianese followers. One was a move toward a public school system, and the other was a kind of National Labor Relations Act.

Even though half the people are Hindu or Moslem, and even though the government pays teachers' salaries and operating costs, most British Guiana schools were (and many still are) run by the Anglican, Catholic, and other Christian churches. This was a usual form of education in the British colonies, where the Christian churches are solid sectors of the colonial establishment. The native middle class trained to aid the British joined the churches, enlisted in church activities, and absorbed many of the political and cultural attitudes of English church administrators. By the time the independence movement got under way and planning for economic development was begun, church control of education had become a serious retrogressive force.

The Christian churches opened a fierce offensive against

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the proposal to end their sectarian control of the schools. Behind the proposal they saw lurking the menace of godless communism. The real issue, of bringing the schools into the twentieth century, they could not see at all.

The PPP Labor Relations Bill was not as strict as the United States National Labor Relations Act, but it did provide for union recognition, and for settling questions about union representation by vote of the workers involved. At stake was whether the sugar workers were to be represented by the MPCA, favored by Booker's and the Demerara Company, or by the GIWU, whose leadership was radical.* This issue has been a center of turmoil in British Guiana ever since.

The GIWU had been on strike for 25 days, demanding better pay and union recognition, when the government introduced its Labor Relations Bill. The strike had paralyzed the industry, indicating how little support the MPCA enjoyed among the workers. When the government introduced the labor bill, the workers called off the strike, believing that their demands would now be dealt with fairly.

The government Labor Relations Bill provided for the determination of bargaining units and the conduct of bargaining unit elections under procedures administered by the Ministry of Labor. The Minister of Labor, as is normal in a parliamentary government, is named by the governing party. This has been the substance for charges that the PPP government was trying to "control and destroy the unions." The whole course of the controversy suggests, however, that the sugar companies and the United States and British unions simply feared the outcome of a free bargaining agent election.

How voting between the contending unions would have come out had been made clear in the 1953 election. The MPCA had, just before the election, run full page ads in the newspapers, condemning the PPP as "Reds" and urging the workers to vote against the PPP candidates. The MPCA president (Lionel Luckhoo), as well as the MPCA vice president and its secretary, were all candidates of the National Democratic Party,

* Booker's is the popular name of Booker Brothers, McConnell and Co., Ltd., British Guiana's largest producer of sugar.

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the major political opponent of the PPP, and all were defeated. The MPCA secretary ran against the GIWU vice president in Berbice, a basic sugar area. The GIWU man was elected, the MPCA secretary getting so few votes that his election deposit was forfeit. People throughout the sugar areas returned heavy PPP majorities. Neither of the two legislative seats won by the National Democratic Party was in a sugar constituency.

Representation of the sugar workers by the company-favored MPCA was clearly in jeopardy. In the Labor Relations Bill, the sugar companies saw the same communist plot that the churches saw in the bill to end their sectarian control of the schools. The sugar companies set out at once to rectify the British mistake in granting self government to a people so misled.

British gunboats reached Georgetown while the Labor Relations Bill was being debated in the Legislative Council. British troops, the Royal Welsh Fusiliers, disembarked during the night, and in the early morning were marching through the peaceful town, weapons ready, to invade the legislative chambers and the PPP headquarters. Her Majesty's Government suspended the British Guiana constitution, dismissed the elected Ministers, and proclaimed that the anxious world could now relax, for communism had been repelled. A salvo of British guns heralded the proclamation.

The Governor's Chief Secretary read the proclamation over the radio:

> Her Majesty's Government have decided that the constitution of British Guiana must be suspended to prevent Communist subversion of the government and a dangerous crisis both in public order and in economic affairs. . . . The faction in power has shown by their acts and their speeches that they are prepared to go to any lengths, including violence, to turn British Guiana into a Communist state. . . .

The Governor appointed a legislature and council to rubber stamp his decisions, naming among others several who had been candidates in the elections and who had lost their deposits.

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Chapter 3

Carrots and the Club

During 150 years of British rule, British Guiana had received little attention and less money from the Empire, but the threat of a left-wing government released a comparative flood of British funds. Particularly favored were housing projects, but welfare programs were also expanded, Colonial Development schemes received grants, and the number of government employees grew.

The British did not rely solely on carrots but used the club as well. New police barracks were built in Georgetown, and named the Balaklava Barracks to commemorate the only time in history when England had been at war with Russia. The homes of PPP leaders were searched and books seized and destroyed, including *Capitalism and Slavery,* by Eric Williams, Trinidad's Prime Minister-to-be. Meetings were banned, and PPP leaders were forbidden to travel outside the immediate area where they lived. For refusing to comply with these prohibitions, Cheddi and Janet Jagan were jailed, along with PPP officer Rory Westmaas, and the fine British Guiana poet, Martin Carter. Jagan was thus initiated into the circle of government ministers whose introduction to political reality took place in British jails—a circle which includes Nehru, Hastings Banda, Nkrumah, and Jomo Kenyatta, among others.

The British dissolved the British Guiana Trades Union Council, and set up a new TUC with a handpicked general secretary. The British Trades Union Congress extended annual subsidies to the MPCA to bolster its organizing efforts. The new TUC secretary was named to the Governor's Council, and given patronage and employer support to build up an anti-PPP machine in the unions. When the TUC sent a mission to the United Kingdom a few years later, funds were raised not from unions but from sugar and bauxite companies.

The British Guiana situation was debated in the House

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of Commons, and Guianese flew first class to London to support the British cause. The British, however, refused PPP leaders Jagan and Burnham the right to pass through Trinidad or Barbados; the United States Consul denied them transit permits to land in the United States, and the Dutch and French governments would not let them stop in Surinam or French Guiana. Travel by airline was effectively shut off. They finally chartered a private plane, a big Dakota for just the two of them, and got to London. From the House of Commons galleries they listened to the debate, and watched the House turn down, 294 to 256, a weak Labor motion questioning the government action.

The British Investigate Again

To counter reaction against suppression of an elected government, the British government issued a White Paper of details supporting its charge of communist subversion. Harold Macmillan, then Minister of Housing and Local Government, was government spokesman for the White Paper on the floor of the House. The Paper was an undiscriminating compilation of the many rumors that had been titillating the Georgetown upper class—that the PPP was undermining the Boy Scouts and Girl Guides was an entertaining example—but Mr. Macmillan presented them in all seriousness.

Other charges accused the PPP of having "a cell system ready to do violence." What this meant was left to the listener's imagination, as was any supporting evidence. The fact that there was no violence, before or after the British intervention, either by "cells" or spontaneously, soon discredited the charge completely. A similar charge was that "reliable sources" reported that the PPP intended to set fire to business property and residences of prominent Europeans and officials in Georgetown. The Bishop of the Anglican Church in Georgetown was said to have discovered underneath his house materials with which to set it on fire. What things he found and how he knew the PPP had put them there were not divulged. Challenged to bring the PPP to court, the British refused on the ground that their information had come from police agents.

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The Labor Relations Bill was represented, or misrepresented, only as an attempt to upset an established union by legislative action. That the PPP saw the bill as an attempt to afford the sugar workers a free choice of bargaining agent was not mentioned. The PPP demands for hiring qualified Guianese rather than British in government offices were presented as an attempt to take over the civil service.

The heart of the British charges dealt with "communist subversion" by the PPP. In support of this charge the White Paper cited the removal by the PPP of the ban on travel to British Guiana by West Indian "communists," the flooding of British Guiana with "communist" literature, and the attendance of PPP leaders at "communist" functions. (The West Indians who had suffered the travel ban were union officers—among them the President of the Trinidad Trades Union Council—and some had been associated with the left-oriented World Federation of Trade Unions. Among the many thousands of books and pamphlets circulated and sold by the PPP some were, in fact, by British communists. The world gatherings singled out for mention were a World Peace Congress and a World Youth Festival, each including both communists and non-communists, but sponsored by the communist world.)

The British refused to accept the West Indian labor leaders as representatives of the unions for which they spoke, and calling them communists was sufficient reason to deny them the right to come to British Guiana. Published ideas were condemned, not by reason of what they were, but because communists held them. Few would object to the World Peace Congress and the World Youth Festival, but communists were associated with them, and that was enough.

Jagan and Burnham made a quick tour of England to tell their side of the British Guiana story. The Labor Party National Executive warned local parties against providing a forum for PPP speakers or cooperating with "other bodies [which might well be communist-dominated] in supporting them." A good many local parties insisted that they had the right to hear and to make up their own minds, and a number of unions and some labor leaders came out in support of the PPP. Aneurin Bevan described the British position thus: "You

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are free to have the kind of government you like as long as it is the kind of government we like." But most labor leaders went along with the sentiment expressed, on another occasion, by Herbert Morrison: "We are great friends of the jolly old empire, and are going to stick to it." Jagan and Burnham went home by way of India, where they found a clearer understanding of the British action.

As news from British Guiana began to spread, the British confronted a widening incredulity about their claims, and met it in the British tradition—by appointing an investigating commission. The commission went to British Guiana, held hearings, and issued a lengthy report seeking to give verisimilitude to what was by now a thoroughly unconvincing narrative. As time went on, the British came to wish that the whole thing had never happened. Its comic opera features became, in retrospect, the essentials of its character. The most important lessons were learned, however, not by the British, but by the Guianese politicians, who decided that they had been playing to the wrong house.

Split in the PPP

The interval did serve, at any rate, the essential British purpose. The momentum of the PPP election campaign and victory was broken. The economic rulers and the displaced politicians were given time to maneuver. Their first necessity was to break the alliance between sugar workers and rural poor on one side and urban trade unions and progressive middle class on the other.

So many events in politics move with certainty from action to reaction to counteraction, that recounting them gives an appearance of calculation and design where none may have existed. It is, of course, quite possible that British and Americans did decide that their interests demanded that the PPP be split, and that this could best be done by breaking away the Negro professionals and union leaders. It may be more likely that events moved of their own accord. At any rate, planned or unplanned, their course was direct and simple.

The methods of splitting the independence alliance were

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threefold: (1) bearing down even harder on the communist label for the PPP, (2) playing on individual ambitions, and (3) stirring up racial animosities. Under constant stress, a number of the Georgetown middle class spokesmen in the party resigned or simply dropped out of activity. The TUC secretary who had been selected to undermine the PPP in the unions received strong support from British and American labor representatives, who were constantly in and out of Georgetown.

The breaking point came in 1955, when Forbes Burnham and his followers called a general PPP meeting in Georgetown. Other PPP leaders declared the meeting illegal, but the meeting was held anyway and Burnham named a set of officers. There were for a time two PPP's, each with a paper called *Thunder*. Later on the Burnham faction took the name of People's National Congress (PNC).

Another Constitution and Another PPP Election Victory

In 1956 the British announced plans for another constitution, under which power would be held securely by the British, and the form of government would depend upon the discretion of the Governor. A unicameral legislature was provided for, half of the members to be elected and half to be from the Governor's staff or nominated by him. All the British Guiana political parties opposed this plan, but the British put it into effect, and arranged an election for 1957.

The Burnham faction entered the election under the PPP name, and adopted essentially the same program as the PPP, but added the outcry against communism. The two right wing parties had little program except anti-communism. The PPP put forward much the same program as in 1953, but stressed independence. When the votes were counted, the regular PPP had won nine out of 13 elective seats, the Burnham faction three, and the right wing one. The regular PPP proportion of the vote fell to 47.5 percent, from 51 percent in 1953, and the proportion of the electorate voting fell to 55.8 percent from 73 percent. The British were again faced with the issue they had decided so precipitately in 1953.

In adopting the 1956 constitution for British Guiana, the

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British were well aware that the PPP would probably win the election. Every British move since 1953 has, in fact, been made with the knowledge of the near majority support given the PPP by the Guianese people. That the British nevertheless moved toward self-government for British Guiana is a consequence both of Guianese pressure and of the general British program for the colonies. This program looks to Britain's emergence as the center of a Commonwealth of former British colonies, bound to Britain by economic and cultural ties and aspirations. Repression in any of the still-dependent colonies makes it more difficult to insure the adherence of the others.

The British no doubt believed that some PPP leaders were communist. Jagan had described himself as a Marxist, but not a communist, and the British seemed to accept his statement. Most of the anti-communist attacks against the PPP have been directed at Janet Jagan and a few other PPP officers, notably party chairman Brindley Benn for a statement he is reported to have made that communism, like history, cannot be stopped. The attacks on Janet Jagan were inevitable in view of the McCarthyism sweeping the United States in the 1950's. Her name was in the elaborate Congressional and private files of reds and suspected reds. This was enough to afford the American press and Congressmen an opportunity for their favorite self-indulgence.

A popularly elected government is no hindrance to United States action to "protect United States interests," as Guatemala, three years earlier, had proven a sorely stricken witness. The British were not giving up power, however; they were only sharing some governing responsibilities, and the Americans could wait with no little confidence, for the PPP faced very trying times. The party saw how unlikely was a better life for the Guianese people under capitalism, and had committed itself to socialism. The freedom for reactionary elements to organize revolt within parliamentary democracy makes parliamentary achievement of socialism dubious under the best of circumstances, and the Guianese did not have even the machinery of parliamentary democracy. The British continued to control foreign relations and internal security, and maintained a veto power in domestic matters.

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The PPP had decided in 1953 to form a government on the basis of hope that the British meant to give Guiana full self-government. Though these hopes were soon disappointed, in 1957 the PPP again negotiated with the British and clarified for the first time the possibilities open to the British Guiana government. The party then decided that its immediate program of economic development and social welfare could be carried on within the limitations the British imposed. They cast aside the doubts that troubled them and again formed a government.

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Chapter 4

The Search for Development Capital

The first task facing the PPP government of British Guiana was to expand the country's impossibly narrow economic base. Capital is fundamental to rapid economic growth, and how and where to get development capital has been the most pressing problem of the PPP government.

In some emerging countries, expropriation of imperialist assets gave a base for economic growth; in others, World Bank and foreign government loans, or investments by American and European capitalists, or mobilization of the people in communal and national enterprises provided this base. Most developing countries turn to as many of these sources as they can. India's development program is often cartooned as Brahma, the many-armed Hindu god, whose hands extend toward the United States and England, the private capitalists of India, the socialist countries, and wherever funds might be found. The British Guiana government tried to mobilize local savings, through taxes and compulsory savings plans (with consequences reported in the next chapter), sought foreign loans, both government and private, and explored every possible source of aid.

When the PPP came back to form the government in 1957, it took over the economic development program the British Governor had begun. The Governor's program had envisaged an expenditure of $54 million in the period from 1954-1959, of which $36 million would go to economic development and $18 million to social services. The PPP proposed that the expenditure be raised to $62 million; only $46 million, however, was actually raised, from British Guiana revenue and from British loans and grants.

Under this program, the PPP government initiated drainage and irrigation projects, and carried through others on which work had already begun. These projects were planned so as to make land available in economic units to small farmers. Im-

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proving procedures for the milling and marketing of rice was a major effort of the PPP, and rice production went up from 60,000 tons in 1957 to 125,000 tons in 1960. Health centers, pure water supplies, community facilities, and schools were provided in these new land settlement areas, and in existing communities as well. The new schools built by the government were government operated. Cooperative land and producers' societies were organized and given some financial aid.

To add to the protein content in the people's diet and to give employment, efforts were made to develop a fishing industry. Government credit was extended for building trawlers, and storage and marketing facilities were provided. A government-operated milk pasteurization plant was completed in Georgetown, and British Guiana Airways was enlarged under government ownership. A small packing plant near the Brazilian border, also government owned, processed cattle raised in the interior. The Georgetown electric plant was purchased from Canadian owners, and negotiations were begun for its enlargement. Self-help community projects were organized and given technical and financial assistance to build roads, community buildings, and homes, and to provide health measures.

Requests for Foreign Aid

In the summer of 1958, the government applied for a loan from the World Bank to carry on recommendations the Bank had made to British Guiana in 1953, but the Bank took no action on the application. Later that year, an economist from the Bank visited British Guiana. Reviewing the steps the government was taking, he concluded: "It is clear to me that the top priorities have been correctly selected. There is no question in my mind that the provision of more agricultural land through drainage and irrigation and the improvement and expansion of the transportation system, particularly through better and more roads, deserve top billing."

Jagan then, for the government, applied again to the World Bank for a loan of $6 to $8 million for road construction. The Bank denied the loan. It was not until 1961 that the Bank approved any loan at all to British Guiana. Then the sum of

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$2.25 million was allotted to extend credit to private interests for agricultural, fisheries, and forestry development. In the meantime, the Guiana government had been seeking credit for economic development from the other usual sources for such aid.

Jagan had sent the first request for a World Bank loan from London, where he had gone to ask the British for development funds. The British, in turning him down, had suggested that he try the World Bank. From London, he went on to the continent, where he was able to arrange for a loan of £6 million from a Swiss bank, providing the British government would guarantee the loan. This the British refused to do, pleading that such an endorsement would commit them to a like responsibility for the other colonies. Jagan returned to British Guiana by way of Washington, there applying to the Development Loan Fund for a loan for irrigation and road projects. The State Department told him that the machinery for advancing such a loan "had not yet gotten into gear." It never did.

A U.S. aid team visited British Guiana in 1959 to review the economy from the point of view of aid, but nothing came of this. Jagan that same year approached the West German government for a loan, but nothing came of this either. He then went back to the United States, asking for a share for British Guiana in the U.S. program furnishing surplus agricultural products on a credit basis. This request the U.S. evaded, and Jagan applied to the Export Import Bank for a loan to set up a flour mill and a feed mill. This was denied, for the same purported reason other requests for aid had been denied—for technical rather than political reasons. The economic situation grew increasingly desperate for British Guiana, and the British government made a small concession.

In 1959, the British government agreed to a five-year development program formulated by Cambridge economist Kenneth Berrill. The program agreed to by the British called for the expenditure over the years 1960-1964 of $110 million, of which almost 45 percent was earmarked for agriculture, 24 percent for transport and communication, 12 percent for finance, credit, and industry, 10 percent for health, education, and welfare, and 9 percent for all other needs.

Funds for the program were to come from Colonial De-

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velopment grants ($23 million), Exchequer and local market loans ($48 million), other loans which the British Guiana government was expected to find ($24 million), and $15 million from surpluses in British Guiana revenues. The British Guiana government was successful in arranging for only $5 million of the $24 million it was to raise. Population growth and rising costs of government outpaced revenues, and left no surplus. Less than $80 million was left for the program.

The British Exchequer loans carried interest at six percent, quite a high rate for international aid, but the British found it impossible to comply with Jagan's request that the rate be reduced. The Berrill program maintained the British Guiana government's relations with the British-American combine, but only postponed the economic crisis. The government still faced the basic problem of finding funds for economic development.

The following year, Kennedy replaced Eisenhower as President of the United States, and Jagan went to Washington to renew his request for development aid. He talked to President Kennedy, who is reported to have said in a later interview with *Izvestia* Editor Alexei Adzhubei: "Mr. Jagan, who was recently elected Prime Minister in British Guiana, is a Marxist, but the U.S. doesn't object because that choice was made by an honest election which he won."

Following Jagan's interview with Kennedy, the United States sent a group from the Agency for International Development to British Guiana. This group made a study of economic needs—but two years later the study had not even been published. After leaving the U.S., Jagan went on to Canada to place an application for loan funds. Canada has a major economic interest in British Guiana through Aluminium, Ltd., from which company the Canadian government collects millions of dollars in income tax each year. A fair part of the company's income is certainly derived from its British Guiana operations, but the Canadian government found no loan to British Guiana possible. Minister of Resources Brindley Benn renewed requests for development aid in Germany, France and Italy, but with no result.

The socialist governments were extending technical and financial aid to developing countries, and Jagan approached

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the USSR and Eastern European governments to request help. But British control of Guiana's foreign relations, including financial relations, frustrated the possibility of socialist aid.

The capitalist world had stalled, pretending sympathy, for six years. Time was running out for the PPP government, and the British and Americans knew this very well.

Private Investment Incentives

Since taking office, the PPP government had also sought private investment in productive enterprise. The usual concessions of tax holidays and relief from import duties were given investors in British Guiana, and possible investors were approached directly by Jagan or other government representatives. An industrial estates area was developed at the outskirts of Georgetown to encourage small investors.

British Guiana could not, however, attract small scale foreign investment in any amount. Jagan indignantly rejected proposals which would have required the government to guarantee profits of 50 percent a year and more, but found that this was the normal requirement, not an exception. Nor did British Guiana satisfy the requirements for investment by native capital, although native capital that was invested did return handsome profits. The best known example is Banks Breweries, managed by United Force leader Peter D'Aguiar. This business distributed profits over five years of $2.4 million, and retained undistributed profits of over $1 million, on a total invested capital of only $1.5 million—a return of 44 percent a year.

Even though productive investment makes such high returns, what little Guianese capital has been invested in British Guiana has been in merchant rather than productive enterprise. (Native capital can get 40 percent a year simply by lending money.) More usually, Guianese capital has been sent abroad, for safekeeping in London banks. This was as true under the British as under the PPP governments.

Another PPP Election Victory

Unable to find development loans in the capitalist world, and denied the right to work out such help from the socialist

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countries, PPP pressures for independence grew. In 1960 the British called British Guiana delegates to London to a constitutional conference presided over by the Secretary of State for Colonies. In the conference, Burnham and the People's National Congress opposed independence except within a West Indies Federation of which British Guiana would be a part. The PPP demanded immediate independence. The Georgetown business elements, drawing together in Peter D'Aguiar's United Force, fought independence with every behind-the-scenes means at their command, pinning their hopes for preservation of their privileges on maintenance of British rule.

The British insisted that the parties, at least the PPP and PNC, agree before independence would be granted. The PNC indicated that their agreement would depend on a system of proportional representation in the governing assembly. This the PPP opposed, on the ground that proportional representation would encourage formation of racial and special interest splinter parties. Coalition government would be necessary, resulting in instability and legislative weakness—a disastrous consequence in British Guiana's circumstances.

The conference deadlocked, and the PPP asked the British to propose a constitution to the conference. When the British refused to do so, the PPP proposed that the British impose any constitution which had been drafted by the Colonial Office for any territory which had recently become independent. This was also refused. The conference at last accepted "the principle of independence," suggesting that the independence date be tied to the then-contemplated West Indies Federation; for the interim it approved constitutional changes giving British Guiana self-government. Any British Guiana legislative act, however, which the British Governor deemed to affect "defense, external affairs, or the Royal Prerogative, or was inconsistent with the constitution" was reserved "for the signification of Her Majesty's pleasure"—that is, could be vetoed by the Governor.

The election under the new constitution, held in 1961, was bitterly contested, with anti-communism the total substance of United Force, and the major element in PNC, campaigns. Senator Thomas Dodd of Connecticut warned all and sundry against a left-wing government in British Guiana, and Congress-

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man John Rousselot of California demanded "immediate, dramatic, and aggressive action" to keep British Guiana from going communist. The AFL-CIO stepped up its Guiana activities. Dr. Fred Schwartz, Dr. Joost Sluis, and five other Christian Anti-Communist Crusaders flew in to Georgetown from the United States to join the anti-PPP campaigns. To liven up their show they brought a mobile film unit and hundreds of thousands of Birch-type leaflets and appeals. East Indian anti-communist professionals were imported to propagandize Guianese of Indian ancestry. Appeals poured out from the Anti-Communist Crusade's California headquarters soliciting funds from United States adherents to counteract communism in British Guiana.

When the ballots were counted, the PPP had won 20 out of 35 legislative seats, the PNC had won 11, and the United Force had won four. The United Force had entered candidates in all 35 election districts, and 23 of these received so few votes that they lost their $240 election deposits. Of the four United Force victories, two were in isolated Amerindian districts under control of Catholic priests, and two were in the Georgetown districts where most of Guiana's well-to-do live. The PNC won seats in Georgetown, in the bauxite area, and in New Amsterdam. The sugar and rice areas were solidly PPP. The PPP won four of the five "marginal constituencies," where the two major ethnic groups were evenly divided.*

The PPP did not enter candidates in six of the election districts, in order to concentrate its efforts in districts where the chances of winning were best. As a result the PPP received no votes in these six districts, although it had several thousand supporters there. The PPP therefore obtained only 42.7 percent of the total vote, compared with 41 percent for the PNC. This narrow margin has been propaganda material against the PPP. Actually, the PPP's abstention in these districts probably brought about the two United Force victories in Georgetown. In one of these, the Central Georgetown dis-

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* For a careful study of the election and its outcome, see Paul Bradley's article, "The Party System in British Guiana and the General Election of 1961," *Caribbean Studies* (October, 1961).

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trict, D'Aguiar defeated Mrs. Gaskin, PNC chairman, by only 836 votes.

Events leading to the United Force victories over the PNC show how racial tension was rising in Georgetown. The day before the election, the PNC organized a "victory" parade through Georgetown. Many of the paraders carried brooms, the party's symbol. The paraders were Negroes, and some would brandish brooms and taunt East Indians they passed on the streets. Tempers were strained, and Indian fears of physical violence were aroused. The next day the Indians, having no PPP candidates to vote for, voted against the PNC; that is, they voted for the United Force.

PNC claims that the PPP instructed its followers to vote United Force are denied by the PPP, and are almost certainly untrue. The PPP has no machinery to make such an instruction effective, and had been avoiding conflict with the PNC during the campaign. The episode in Georgetown was significant, however, as the ominous shadow of coming events.

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Chapter 5

1962: The Story Behind 'Black Friday'

The Legislative Assembly elected under the new constitution opened October 6, 1961. Since the election 48 days before, the PPP had selected the ministers to form its government and planned its legislative program. The opposition People's National Congress had called for a demonstration against the government on the day the Assembly opened, and PNC members of the Assembly walked out to join the demonstration. The next day the legislature got down to business.

As soon as the new government was under way, Jagan left British Guiana in the search for development capital—starting with the UN, then to see President Kennedy in Washington, and then to Canada. At home, pressures mounted rapidly. The anti-communist crusade had built up a full head of steam during the election campaign, and its election defeat only increased its tempo and virulence. Communist dictatorship, expropriation of property, and worse things (if there are worse things) were said to threaten the country. Businessmen and the Georgetown well-to-do began withdrawing the savings they kept in British Guiana and sending them to foreign banks.

By the end of December, the run on savings accounts had reached serious proportions. One of the savings and loan associations had to suspend withdrawals. Ten percent of Postal Savings deposits had been taken out before the government prohibited the export of liquid assets—establishing controls over the convertibility into foreign currency of the Eastern Caribbean dollars used in British Guiana. The press and political opposition were quick to denounce as dictatorship the measures taken to counter the difficulties they had caused.

Crisis in the Civil Service

Early in 1962 the British Guiana government's financial difficulties, serious from the outset, brought about a crisis in

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relations between the government and its civil service employees.

The British Guiana civil service follows the British class pattern; higher positions are comparatively well paid, and their incumbents enjoy various special privileges, particularly extended leaves and travel. These advantages date from the time when Englishmen staffed the higher civil service jobs and were paid during long visits to England. The British system was maintained while Guianese were gradually appointed to the better civil service jobs.

It is a well-known Marxist belief that the bureaucracy inherited from a capitalist state will intentionally sabotage a socialist program, or at best default in its performance through incompetence or lack of understanding. The colonial bureaucracies should, however, be less rigid than the bureaucracies Marx and Lenin saw in Europe. National independence movements stir the middle class, of which civil servants are substantial sections in the colonies. Moreover, the PPP program was only socialist as a long-run goal; immediately its program was for reforms generally supported by the middle class. The split in the British Guiana independence movement had, however, left Georgetown government employees the prey of anti-communist political campaigns. Also, the British Guiana civil service had become, as bureaucracies do, a machine whose routines were not easily modified. The few steps the PPP government had been able to take toward a more efficient and imaginative civil service were not welcomed by many employees. Consequently, just as Marx might have predicted, the government employees took a leading part in drives to overthrow British Guiana's socialist-oriented government.

Wages were another bone of contention. The higher paid civil servants are organized in the British Guiana Civil Servants Association. The CSA had been negotiating for salary increases to meet a 10 percent cost of living rise since the last salary adjustment. The government, hard pressed for social causes it thought more needful, had stalled the CSA demands.

Before the new PPP government was formed in October of 1961, the British government named a commission to consider the CSA claims, and in September this commission recommended salary increases totaling $2.5 million. The government did

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not have the money, and delayed accepting the recommendations until after two and one-half months of CSA delegations, protest meetings, and threats of strike. When the government at last did concede salary increases, it modified some of the proposed increases. The natural civil service resentment was little leavened by sympathy for what the government was trying to accomplish or for the difficulties that it faced.

Lower paid government employees receive about the going Georgetown wages, which are low, the government minimum then being only $2.75 per day. These employees often work longer hours than the higher paid classifications, and enjoy none of the extended leaves and status privileges accorded the upper brackets. They are organized into unions, and are represented by a Federation of Unions of Government Employees. The FUGE had also been negotiating with the government for wage increases.

The dispute between the British Guiana government and the FUGE was submitted to the Whitley Council, an established body for settling disputes between British unions and government. The Council awarded a wage increase, to which the British Guiana government agreed after some delay, but dispute continued over the date to which the increase should be retroactive. By early February of 1962, government employees of all levels were, in the words of a later British report, "in a state of extreme discontent, amounting almost to bitter resentment against the government."

Both the CSA and the FUGE unions are members of the British Guiana Trades Union Council, and their leaders were in constant contact with the TUC about the disputes with the government. They were also in regular contact with United States labor representatives, but this relationship only came to public knowledge during the months that followed.

According to columnist Victor Riesel, a British Guiana trade union leader came to New York shortly after the PPP election victory in 1961, to meet with AFL-CIO leaders and to plan attacks on the Jagan government. Serafino Romualdi, of the AFL-CIO International Department, was said to have been at the meeting, and George Meany and other AFL-CIO functionaries.

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The Kaldor Budget

By early February of 1962, the civil service resentment and the government's financial straits gave enemies of the PPP an opening. At this time, January 31, the government introduced in the legislature a budget to provide the money needed to meet the agreements with the government employees and generally to strengthen the country's financial position. Upon the budget's introduction, the government proposed that no action be taken on it until February 12, so that the public would have time to study it.

The budget proposals followed recommendations made to the government by a noted Cambridge economist, Nicholas Kaldor. Changes in existing law primarily provided for taxes on capital gains and gifts, for taxes on semi-luxury consumer items, including alcoholic beverages, and for a compulsory savings plan. This plan required government bond purchases amounting to five percent of that part of any wage or salary income in excess of $100 a month. This affected the upper 35 to 40 percent of Guianese wage and salary earners, and applied only to the excess over $100, not to the entire salary.

Kaldor had previously advised various developing countries, including India and Ghana, on tax and financial questions. The measures he recommended followed from his belief that "tax reform and land reform are the two most important instruments for economic and social progress" in underdeveloped countries. Apprised of the opposition to his proposals, Kaldor, according to the London *Sunday Times*, responded: "The men behind the British Guiana crisis . . . are British, American, and local businessmen who for years have been avoiding the 45 percent company profits tax."

The budget was described in a *New York Times* editorial as "courageous and economically sound," but from British Guiana and United States anti-communist crusaders it brought screams of pain and rage. A "Slave Whip Budget," D'Aguiar's *Daily Chronicle* called it, which would "crush the working class." Other *Chronicle* reports were even more eloquent. "Archangel Jacob, Messenger of Death" (Dr. C. R. Jacob, Minister of Finance, had introduced the budget) had thrown

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in "Malice, Meanness, and Malevolence." FUGE head Jackson was quoted as having said that the budget was part of Dr. Jagan's plan to substitute Soviet imperialism for British imperialism. Before long the *Chronicle* began to print letters and report speeches calling for the overthrow of the government. Georgetown merchants did their part by raising prices and ascribing the price increases to the proposed taxes.

The Black Friday Riots

Demonstrations against the government began and grew, under the leadership of D'Aguiar, Burnham, and Richard Ishmael, president of the MPCA and of the TUC. Principal of a private high school and owner of a hotel in Georgetown, Ishmael had taken Lionel Luckhoo's place as president of the MPCA and as the foremost trade union enemy of the PPP. The sugar workers, however, officially represented though they were by the MPCA, refused to take part in the strike that Ishmael and the TUC soon called to bring down the government.

Following a week of demonstrations and parades, the CSA struck. The TUC then called a general strike, ostensibly against the government's budget, although the government had postponed consideration of the budget and appealed to the TUC and the Chamber of Commerce to meet and discuss it. The strike actually began on Monday, the day before the call was to take effect. Roving gangs of men moved from store to store, demanding that they close and pulling reluctant clerks out to the street. The Chamber of Commerce met in emergency session to welcome the strike, and employers agreed to pay their workers while they were out against the government. D'Aguiar and Burnham joined arms to lead parades and demonstrations. Caravans of D'Aguiar trucks displayed banners condemning taxes on working men. Chamber of Commerce and TUC, United Force and PNC—all the PPP enemies closed ranks for the big push.

Jagan and others tried to explain the budget at a public meeting in a working class district, but the meeting was attacked and broken up. Jagan offered, over the radio, to with-

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draw the proposals most violently assailed, but the offensive was rolling, and concessions would do no good. Jagan went on the air again the Saturday before the strike started, warning the country that a plot was unfolding to overthrow the government. Half the country, the rural areas, supported the PPP, and talk began of sugar workers and rice farmers marching on Georgetown.

Where were the British while all this was developing? Meeting the Duke of Edinburgh, for one thing. Prince Philip arrived on Wednesday, on one of the Royal Family visits made into shows of pomp and circumstance for Her Majesty's enraptured subjects. The Governor met him at the airport, and they drove into town through tense, milling crowds, among which were circulating PNC and United Force activists waving banners denouncing Jagan as a communist, and demanding that independence not be granted. The Duke left after a minimum of the usual festivities, just before the drive against the government reached its climax.

The mass of demonstrators were Georgetown Negroes, and they brought mounting pressure on the police, also Negroes. The entire police force numbered fewer than 350 men. The Police Commissioner was English, an effective operator chosen with British concern for the essentials of government. Under his direction, the police maintained their discipline, but crowds totaling 10,000 and more were in the streets from time to time, threatening Freedom House (the PPP headquarters), the Premier's residence, the essential services that continued functioning, and before long stores owned by Indians. By Wednesday the situation was clearly beyond police control.

On Wednesday afternoon, February 14, the Minister of Home Affairs asked the Governor to move troops into Georgetown from Atkinson Field, 30 miles away, where they were stationed. The Governor refused. Next day Jagan met with the Governor to inform him of a report that police and prison officials were joining the strike, and to repeat the request that troops be sent in. While they were meeting, the Governor was handed a letter from the Commissioner of Police, reinforcing the position taken by Jagan and his Minister of Home Affairs. The Governor responded, as reported later by the British in-

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vestigating commission, that "the armed services of the United Kingdom would not be used to maintain PPP Ministers in power regardless of what they might say or do, and that British troops would only be used to restore and maintain law and order if all Guianese resources proved or were likely to prove inadequate."

Friday, February 16, opened with a crowd threatening the electric power plant, which was manned by a supervisory staff. Ishmael had, for the TUC, refused the plant manager's plea that a skeleton staff be left on duty at the plant. He demanded that the plant be shut down completely, even though fire control in Georgetown depends effectively on water pumped through the mains by electricity. Georgetown is made up of wooden buildings, and a fire could quickly send the city up in flames.

A mass meeting had been called at the city's Parade Grounds, and under pressure from the Assistant Commissioner of Police, the crowd left the electric plant and went to attend it. After D'Aguiar and others addressed the meeting, it was announced that scabs were running the electric plant. Throngs hurried there, throwing stones and bottles filled with kerosene, which took fire on shattering against the building. Light poles in front of the building were set on fire, and police confronting the mob, soon 3,000 strong, did not feel adequate to resist it. The electric plant shut down, leaving the city without water. D'Aguiar, speaking at about this time to another crowd in front of his offices, added momentum to a false rumor that a child had been killed by police tear gas at the electric plant. The rumor spread like wildfire, and mobs spread real fire with it.

The fire department rushed from place to place where fires were breaking out, doing the best they could. Now and then fires jumped the streets and enveloped buildings on the other sides. Mobs cut the fire hoses; nearly 4,000 feet of hose was lost that day. From one to five o'clock that afternoon the mains were without water, and tenders and canals could not supply the water that was needed. The center of Georgetown was burning, and the sky filled with smoke.

The TUC had also called out the Georgetown hospital

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employees, but a number of doctors and nurses stayed on to treat the patients and the new cases of wounded coming in, many from a conflict near Freedom House. There the largest mob gathered, hurling stones and bottles at the police who met them. Tear gas was thrown into the mob, but to no avail. In the midst of the turmoil, an automatic weapon opened fire on the police, killing the police superintendent. In the exchange of shots that followed, five other police were wounded.

In other parts of the city looting began, directed particularly at stores owned by Indians. The police had to have military aid, and the Commissioner phoned the Governor, but the Governor was not available. The Commissioner then called the army commander and asked for troops, and when he phoned the Governor again he was able to speak to him, and get approval for the troops coming in. The suggestion that the Governor was insensitive to the crisis is not strictly accurate. He had asked Burnham and D'Aguiar to circulate around the city to calm or disperse the mobs. This neither of the two would do; D'Aguiar, in turn, asked the Governor to send men to protect his wife and family.

One rifle company arrived in Georgetown soon after 2:30 in the afternoon and deployed effectively, in mechanized patrols directed by radio. Four and a half hours later reinforcements flown in from Jamaica reached Georgetown; several looters were shot, the mobs dispersed, and by nightfall the troops had Georgetown in control. Fifty-six buildings had burned to the ground and 87 others were damaged by fire; total damage amounted to over $30 million. One policeman and four civilians had been killed and nearly 100 civilians and policemen had been wounded.

Order restored, the government resumed functioning. Shortly the troops returned to their encampment, the PNC having campaigned vehemently for their withdrawal. The British named an investigating commission, which came to Georgetown, held hearings, and issued a report. The report (Colonial Office Report No. 354, published in 1962 by Her Majesty's Stationery Office) castigated D'Aguiar and Burnham, warned the PPP, and whitewashed the Governor.

About British Guiana and its hopes for the future, the re-

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port was pessimistic. Homes on stilts in flooded coastal fields presented, the report advised, "a dismal, though strangely picturesque appearance. . . . The quality of [British Guiana] rice is not very good. . . . The natural resources produce very little wealth. . . ." Rodway's *History of British Guiana* is quoted as though the commission shared its doubt: "It is almost a wonder that the Colony has not been abandoned altogether."

Rising Racial Tension

The British commission considered the question of racial conflict at some length, and concluded that "there is no evidence of the disturbances being the direct result of a racial conflict, though a certain measure of tension between the East Indian and the African races which has lately become noticeable, acted as a contributing factor."

The report's depreciation of the racial content of the violence differed from both earlier and later British estimates. There was, in fact, no doubt in anyone's mind that the danger of racial strife had grown alarmingly. The report was aimed at absolving the British (and Americans) of any responsibility, not in helping identify and remove the causes. Later British statements see the causes of racial conflict in political ambitions. The PPP sees the causes in lack of economic opportunity for both Indians and Negroes, and in British and American efforts to divert the people from uniting to end their exploitation.

There is no significant movement in British Guiana like the Ras Tafari in Jamaica, whose aim is repatriation to Africa, or like the Black Muslims in the United States, who want a Negro republic. A call for division of Guiana into Indian and Negro political units was generally rejected. The radical Guianese insist that the only racial problem their country has is the conflict between the whites, who own the country, and the Guianese, whom the whites exploit. They feel that if it were not for white men the people of the world could solve their problems. The view may be unscientific, but there is sufficient truth in it to make one wonder why there is not more prejudice against the whites.

The situation is in a fundamental way similar to that of

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areas in the northern United States where racial trouble has developed between members of a marginal economic group and newcomers who threatened their wage levels or their jobs. The upper class who profited from the work of both escaped the bitterness.

Historically the British exploited racial differences as a means of breaking any common front against them. The slave owners used Amerindians to track down escaped Negro slaves. The "people of color," a privileged caste, were enforcers of plantation discipline. When slavery ended and indentured labor from India took over sugar work, Negro police were enlisted to put down strikes by Indian workers. Other Negroes were trained, or permitted, to fill civil service and professional openings in Georgetown. Around their marginal stake in colonial society, the Negro middle class built what defenses it could against both poorer Negroes and rural Indians.

By the 1940's, the Indians were emerging from their rural isolation. Under the PPP administrations, Indians in numbers began to enter government positions until then held exclusively by whites and Negroes. A common interpretation of racial tension in Georgetown is that members of the Negro middle class are afraid that Indians will crowd them out of the few good jobs and opportunities there are. Certainly this has caused anxiety, and has come to affect those who have nothing to lose, as well as those trying to maintain a precarious foothold of privilege.

It is difficult to say how wide is the split between Negroes and Indians. Certainly serious racial animosity is new in Guianese affairs, and hence cannot be very deeply rooted. Yet in the riots that followed those of 1962, Negro mobs roamed the Georgetown streets beating Indians. When word of this spread, Indians beat Negroes in the villages. These incidents may have involved only a relatively few people, but in each crisis animosity becomes more bitter.

The 1962 riots settled nothing. The PPP government had not been overthrown, the opposition was determined to try again, and was perfectly free to do so. The danger lay in the fact that it was not in the interests of either those who led the riots or their American backers to try to ease racial tensions.

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Chapter 6

1963: A General Strike Halts Progress

Black Friday, as the day of the rioting came to be called, left in its wake a widespread revulsion against the kind of violence that had occurred. During the 14 months that followed, the British Guiana government was able to pursue its program under conditions more normal to a democratic society. Most of the controversial budget proposals were passed, including the compulsory savings plan and the tax on capital gains. A withholding income tax collection system went into effect in early 1963.

Still unable to secure development capital in the West, Jagan turned increasingly to the socialist countries. Trade and economic missions visited Guiana from Russia, Cuba, East Germany, Czechoslovakia, and Hungary, as well as from Israel and the United Kingdom. Russia, Czechoslovakia, and Cuba agreed to buy sizeable quantities of British Guiana rice, at a price above the negotiated West Indies price. Cuba contracted to exchange Cuban products, cement primarily, for the rice, and also offered to loan $30 million for hydroelectric and $5 million for timber development. Britain refused to let British Guiana accept the loans, and Jagan went back to the UN to ask for help in winning independence.

The UN has been a major force for economic development as well as political independence in the emerging world, particularly since the entrance of the new African states. In British Guiana, the UN agencies FAO, UNICEF, and WHO in particular, have lent a helping hand. An aerial geophysical survey to aid in locating mineral deposits, a soil survey, an oil resources exploration, and a siltation study of Georgetown harbor were carried on with UN aid. UN economists were loaned to set up an economic planning unit. UN advisors trained Guianese surveyors, and a geological survey of the country

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was completed and a geological map drawn up and printed for distribution.

The government's efforts were concentrated in the fields of health, education, and economic development. Achievements in each of these fields within the year following the riots made it clear that given half a chance the country would move ahead to a better life for its people.

Health Needs and Programs

From 11 to 13 percent of the British Guiana budget is spent on medical care. The government pays the cost of medical care for any Guianese, including hospital bills and doctors' fees. However, doctors employed by the government can charge patients for specialist services. A medical officer travels regularly around each outlying district, stopping where white flags have been posted beside the road by people needing attention. Free dental care is provided for children, who are referred to the government dental service by the schools. In 1962, there were 12 government hospitals, and in addition a tuberculosis sanitarium, a leprosy hospital, and a mental hospital. There were also 24 health visitor stations, 56 midwife stations, and 87 maternal and child health centers. All of these the government staffs and maintains.

Recruiting of doctors and public health specialists has been difficult. Government doctors are paid $800 a month, plus a choice of either $200 a month additional salary or the right to charge certain fees, and are given housing and transportation assistance. Practically all government doctors charge extra fees in preference to the $200 additional salary, and many use the government as a stepping stone to a more lucrative private practice. Doctors have to be drawn for the most part from countries with lower salary ranges, such as India, and from Guianese educated at government expense with the understanding that they will practice in Guiana. The British Department of Technical Cooperation helps recruit doctors for the British colonies, and subsidizes their salaries. WHO has aided in scholarships for public health workers.

The health of the Guianese people improves year by year. The death rate fell from 11 to 9 per 1,000 from 1957 to 1961,

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infant mortality from 67.6 to 57.3 per 1,000, and the maternal death rate from 3.9 to 2.9 per 1,000. In 1961, British Guiana won the Dennis Geffen Rose Bowl, an award for the most notable achievement in health among Commonwealth countries.

British Guiana has, however, a long way to go, particularly in public health facilities and services. Filariasis affects over 20 percent of the population, and the swollen legs of sufferers are a distressingly common sight on Georgetown streets. There is still malaria in the interior, although with WHO help, medicated salt and chloroquinine have been widely distributed to Amerindian villages and to cattle ranches.

There is a general deficiency in B complex vitamins and in vitamin A, because mothers cannot buy enough meat, milk, vegetables, and fish. To help remedy this deficiency, the government was for a time able to provide snacks of milk, yeast biscuits, and fish liver oil capsules for children in the schools. The milk powder and capsules were paid for by the United States, and dispensed by UNICEF, but the United States discontinued its part of the program in 1962. The government tried to keep up the program as best it could, giving pasteurized milk in the Georgetown schools, and other snacks wherever possible.

Most sickness now is enteritic and diarrheal. Reduction in the incidence of these diseases and of filariasis depends on funds to extend the government's pure water supply and sewage disposal programs. Here again the government faces the essential problem of development capital. Economic growth is necessary to enable the government to move ahead in health and welfare programs.

Public Schools and Education

The most important advances made by the PPP government have probably been in the field of education. During the PPP years, the British Guiana school population has doubled, and teacher payrolls have risen by 700 percent. The British commission which investigated the Black Friday incidents found that: "In July of 1961, he [to the commission, Jagan and the government were one and the same] took over

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as many as 51 denominational private schools which were controlled by the churches." This was presented as evidence of Jagan's inclination toward communism.

That British spokesmen would, in 1962, equate public schools with communism is impossible to understand except as a tropism of an obdurate colonial mentality. British Guiana's schools have helped bring a high rate of literacy, but the subject matter and the attitudes they taught are now part of the country's economic and social difficulties. All the colony's schools—those set up and run by the Christian churches as well as those set up and run for profit—followed the British class view of education, and the attitudes taught in school were reinforced in the school of life. Social and economic advantage went to those accepting the British postures and turns of mind—toward (or rather against) manual labor, toward British preferences in food and dress, toward approved political opinions and personal habits, even toward British prejudices about race and color.

A recent study by Louis W. Bone for the University of Chicago points up the serious consequences of this kind of education for the country's economy. Mr. Bone also notes one basis for the British criticism of the PPP program for public education: "The pragmatic philosophy of American education is still looked at askance by the entrenched elites of the underdeveloped countries, and any attempt to shift the emphasis to functional schooling will therefore be met by real opposition."

New schools built by the government have been established as public schools. Most existing schools are, however, still run by the churches, even though the government pays teachers' salaries and operating costs. The government has tried to raise standards and give guidance to the various sectarian and private schools through a training college for teachers, through published curricula, and through teachers' workshops. A government education officer has been named in each of 11 educational districts to coordinate educational programs, and home economics and handicraft centers have been set up in rural areas.

Of fundamental value to the development of Guiana's human resources are the government plans, approved by the legislature, for a University of Guyana. A qualified professional

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staff has been recruited and the college opened to first year classes in the fall of 1963. (This achievement and its implications are examined in a little more detail in the concluding chapter.)

Economic Development

The government's land settlement projects moved ahead during 1963 through the normal difficulties, with more attention being given as time went on to organizing cooperatives, both in rice milling and in land management. At the latest and largest project, that of Black Bush Polder, 1,200 families had settled by the end of 1961, schools had been built to serve 3,000 children, and wells put down and pipelines laid for residential areas.

In the inland Rupununi region, a cooperative was organized in which Amerindians raise tomatoes and other vegetables for the Georgetown market. British Guiana Airways flies the tomatoes into Georgetown. In the coastal area, bonuses were given and markets developed for cabbage, pumpkins, and black-eyed peas. The agricultural extension service arranged for spraying insect pests, and imported bulls for upgrading cattle. Over $1.5 million was spent on concreting seawalls, and another $1 million was spent on road improvement.

At last, in the opening months of 1963, the government concluded an agreement with the Hungarian government for construction of a glass factory, to produce the six million bottles used up each year in British Guiana. Minister of Trade Hubbard led a mission to a trade fair in Leipzig, East Germany, and there began arrangements to set up various small industrial operations in British Guiana—from tanning and shoe making, to the manufacture of bicycle tires, to canning and food processing. These small industries were to be financed through loans and technical aid by East Germany and Czechoslovakia. The economic outlook for the first time was hopeful, and the British Guiana government was determined to carry to the people and to the UN any British veto of the arrangements.

Jagan had been pursuing moves toward independence with the Committee on Colonialism of African and Asian UN repre-

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sentatives. Burnham also met with the committee, and with the committee's help, some Guianese agreement began to seem possible. Representatives of the African nations in particular urged the Guianese to agree to whatever they had to in order to get the British out, and then to settle their differences among themselves. Discussions were renewed between PPP and PNC representatives for a coalition government, and the PPP made several suggestions, including one that Burnham be President and Jagan Prime Minister, with a sharing of powers, and another that the Senate be given more powers and be elected by proportional representation. The discussions were doomed, however. The U.S. wanted neither independence nor a PPP-PNC agreement, and Burnham was going along with the U.S.

AFL-CIO Intervention in Guianese Affairs

While the British Guiana government was busy with its programs, the government's enemies were equally hard at work. American labor representatives were regularly in and out of Georgetown, arranging U.S. "scholarships" for likely (anti-PPP) unionists, advising union officers, and organizing classes stressing "anti-communism" in the unions.

American labor intervention in British Guiana began shortly after the Second World War, in connection with the AFL drive to split the World Federation of Trade Unions. The AFL was already fighting the cold war when the WFTU was organized in 1945, and, almost alone among the major labor federations of the world, refused to join. At a conference later in 1945, Caribbean unions established the Caribbean Labor Congress and affiliated with the WFTU. Grantley Adams, later head of the government of Barbados, was named president; Norman Manley, later Prime Minister of Jamaica, and H. N. Critchlow of British Guiana were vice-presidents; and Richard Hart, later head of the Jamaican Socialist Party, but then with Manley's People's National Party, was secretary.

The AFL moved into the Caribbean without delay, and was able to split the Caribbean Labor Congress—even before it could split the WFTU—by joining with the CIO and the British and Northern European unionists to form the Inter-

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national Confederation of Free Trade Unions. After the ICFTU was established, Grantley Adams became chairman and H. N. Critchlow vice-chairman of an ICFTU Caribbean section. The MPCA joined the ICFTU Caribbean section, and became the American instrument for undermining WFTU influence in the British Guiana Trades Union Council.

Serafino Romualdi was named regional director, with jurisdiction over the Caribbean area, of the ICFTU's Western Hemisphere organization. Romualdi visited Georgetown often thereafter. In Georgetown during the 1953 crisis, he took the opportunity to denounce the PPP. In Georgetown again after the 1962 riots, he was reported in the Georgetown press to have declared, "So long as I, Romualdi, can help it, Jagan's government will get no help from America."

In 1961, the AFL-CIO and the United States government contrived a new organization to channel U.S. funds into AFL-CIO efforts in Latin America and the Caribbean. This organization, the American Institute for Free Labor Development, is also subsidized by labor and business, but most of its money comes from the U.S. Agency for International Development. J. Peter Grace of W. R. Grace and Co., a multi-million dollar corporation with major holdings in Latin America, is chairman of the Institute's board, and George Meany is Institute president. Romualdi is full-time director.

What makes the Institute so intriguing is that it was organized to intervene in other countries in ways that would be embarrassing for the United States government to undertake itself. According to press reports, Meany announced at the Institute's opening that its purpose is to "supplement [United States] government activities and to overcome some of the obstacles in formal government procedures." Its training programs will, he said, "include schooling in the defense of unions from infiltration by communists, fascists, and crooks." Unionists from other countries are selected to take three months of such schooling in the United States. Sent back to their own countries, the trained labor leaders are paid a salary by the Institute for an additional nine months. Institute-trained unionists are the center of anti-government activity in the British Guiana unions. Andrew Jackson (head of the FUGE), a majority of

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the MPCA full-time staff, and a dozen other British Guiana unionists are Institute-trained. Six of these were still drawing salaries from the Institute in June of 1963.

The base of the AFL-CIO operation in British Guiana is the MPCA, whose 20,000 (claimed) members make it by far the largest Guianese union. The MPCA and the civil service unions represent two thirds of all Guiana's unionists. For 18 years the MPCA has served as a base for American Cold War intrigue and as a sounding board for right-wing politicians. Former MPCA president Lionel Luckhoo's political role has been briefly noted above. Present MPCA president Richard Ishmael is generally known as a supporter of British Guiana's right-wing United Force.

Something had to be done, the PPP believed, to give the sugar workers a union of their own choosing. All that seemed necessary was a free election among sugar workers. As matters stood, however, MPCA representation could be changed only if a majority of workers went individually into company offices and signed withdrawals from the MPCA dues checkoff. Workers were reluctant to do this, since firings of PPP supporters were fresh in their minds, and mechanization made the fear of lay-offs even more real. Legislation providing for bargaining agent elections appeared to be a practical solution, and the government, 15 months after Black Friday, introduced a labor relations bill similar to the bill which had helped bring British troops to Georgetown ten years before.

General Strike "to Topple the Government"

The labor relations bill provided the standard guarantee of labor's right to bargain collectively, and gave the Commissioner of Labor (a civil service post) the administrative duty of determining bargaining units and of holding bargaining agent elections. The British Guiana TUC and the British Guiana businessmen's association formed a joint committee to negotiate with the government.

The government representatives accepted a number of amendments proposed by the joint committee, and agreed to administration of the law by a board including TUC and busi-

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ness representatives. The TUC and businessmen demanded, however, a board which their representatives would control, and the government would not agree to this. The TUC contended that a board with a majority of government employees would give the government control over the unions. The government held that a board controlled by the TUC and the businessmen would deny workers the right to change representation from unions favored by the TUC or businessmen.

In the meantime, press and political attacks against the government had been building up in the manner that had preceded the riots a year before. Burnham and D'Aguiar had each recently returned from visits to the United States. Upon returning, D'Aguiar announced that if the Jagan government could be pushed out, American capital would "flow like Niagara" into British Guiana. Burnham led demonstrations against unemployment. Clashes between the political parties' youth organizations grew, and Indians walking the Georgetown streets were set on and beaten. "They took me for a PYO [the PPP youth organization] boy and they attacked me most mercilessly," one victim told the newspapers.

Matters came to a head on April 6, 1963. The presence of two Russian freighters loading rice in Georgetown harbor gave the pretext for violence. Rumors of arms aboard the ship were spread among crowds congregated at the wharves during a labor dispute among Rice Marketing Board employees. A senseless incident sparked violence and hundreds came to join the crowd, throwing fire bombs as well as stones and bottles at police and the Rice Marketing Board offices. Darkness set in and the crowd, pushed back by police, turned and surged down Water Street, breaking into stores and looting them. One boy, 17 years old, was shot and killed, 20 were wounded, over a hundred were arrested, and damage amounting to $100,000 was done before order was restored. The next morning Burnham and D'Aguiar, as well as Jagan, issued statements deploring the outbreak, but even as they were speaking, gangs began looting public markets and small stores. By afternoon the violence receded to an uneasy lull.

The anti-government offensive was taking the same route it had the year before—demonstrations and violence leading up

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to a general strike. American labor representatives, including Harvard Professor Dunlop and two AFL-CIO lawyers, came to Georgetown to advise on the labor bill. While the government-TUC negotiations were still going on, the TUC called a general strike. Two American labor agents flew in the day before the strike began, for an all-night session with Richard Ishmael at his Belvedere Hotel. As the strike got underway, one of the United States labor officials increasingly in evidence was William McCabe, representing the Public Service International Trade Secretariat. This organization had been paying the salaries of two British Guiana civil service union officials, one of whom was also secretary of the United Force.

As in February of 1962, employers and TUC worked together in the 1963 general strike. Only 2,000 out of 20,000 sugar workers responded to the strike call, but the rest were locked out as Booker's and the Demerara Co. lined up with the other employers. Booker's British Guiana chairman, Anthony Tasker, whom the Governor had appointed to the Senate, there opposed the labor relations bill, and voted against the emergency regulations asked by the government. Without these regulations the country would have disintegrated into chaos. Booker's ships refused to enter Georgetown or New Amsterdam harbors.

Only about half of the TUC members joined the strike, but this half included most of the civil servants. Some government offices kept minimum staffs, but much government work was crippled. The bauxite and alumina operations at Mackensie closed down. Sawmill workers stayed at work for the most part, as did the Rice Marketing Board employees. About one third of the teachers continued teaching. Most essential services were kept going, although the Georgetown mayor and council, representing the PNC, refused to keep up the town garbage collection. The national government hired a contractor to do the job, and he went ahead with it, his truckers simply avoiding areas where rocks were thrown at them.

Demonstrations of strikers and sympathizers mounted steadily outside the legslature, and became increasingly hostile. The funeral on May 30 of the former Minister of Home Affairs was the next occasion for violence. Cheddi and Janet Jagan and other PPP leaders were at the funeral, and during the

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burial a mob closed in on them, throwing rocks and bottles. As the funeral broke up, the mob turned to roam the Georgetown streets, hunting down and beating any Indians they came on. Fifty persons, all Indians, were hospitalized. The government declared a state of emergency, and the British sent the frigate *Whirlwind* to assist the British troops stationed in the colony.

Arriving at the legislative hall, Jagan was mobbed again, and his bodyguard had to shoot their way out. Jagan read to the legislature plans seized in a police raid on PNC headquarters, giving details of military training and naming commanders. Violence erupted increasingly. Bombs exploded at government offices, at the homes of government ministers, and in theaters and public buildings. Indians stayed indoors, afraid to venture into the streets. British troops began patrolling Georgetown, and erected barbed wire fences around government buildings. In the face of the British troops, the violence changed to "sit down" tactics, led by Burnham.

If the February riots of the year before were largely D'Aguiar's show, this year's show was Burnham's. Burnham was the leader of the Georgetown masses, and he circulated constantly during the strike, keeping the crowds on the offensive. Even though the show was Burnham's, D'Aguiar was giving it all he had. He learned "Solidarity Forever" so as to lead demonstrators in singing the labor hymn; he urged employers to pay their striking men; he sent his beer and Pepsi-Cola trucks to carry men and equipment as needed, once to bring back demonstrators taken out of town and left by police.

To supplement food grown locally, Jagan asked Cuba for aid. A shipload of Russian flour was sent from Cuba, and ships set out for British Guiana from other socialist countries. Small schooners plied up and down the coast, bringing provisions from Trinidad and Barbados. Most stores stayed open, and when they had protection, women sold local produce. KLM, Pan American Airways, and BWIA suspended service to Atkinson Field, even though the government was able to keep the airport functioning. The government maintained contact with Trinidad and Surinam by means of its Dakota airplanes.

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Gasoline was in short supply in British Guiana, and had been rationed. Shell sent in a tanker, and the ICFTU threatened a world wide boycott of Shell products. Shell did not try again. The government obtained a shipload of Russian gasoline, oil, and kerosense from Cuba, but the United States refused storage in its inactive tanks at Atkinson Field. The government requisitioned storage tanks down the coast, but found them nearly full, indicating that the gas shortage had been fabricated by the companies to add to the efficacy of the strike. Now, faced with a government move into the oil business, the companies released gas and oil for sale, even cutting the price two cents a gallon below what it had been. The TUC was quick to approve the companies' decision.

The half of the TUC members on strike stayed out for 80 days. Toward the end, the British Trades Union Congress sent Robert Willis, general secretary of the British Typographical Union, in to mediate. In his efforts to bring about a settlement, U.S.-British differences began to emerge into the light of day. Willis genuinely tried to end the dispute but the only concern of U.S. labor was that no settlement be reached as long as Jagan stayed in office. "If Dr. Jagan had called me," Willis said at one point, "and told me that the unions could write their own demands and he would agree to them, the TUC would still find reasons for not accepting."

As the weeks went by, the costs of the strike mounted steadily. Victor Riesel reported in the *New York Times* of June 10 that TUC officials Andrew Jackson and Cleveland Charran arrived in New York to ask more funds from the AFL-CIO. Three days later, the UPI reported from Georgetown that "anti-communist labor leaders vowed today to continue their general strike until it topples the government of Marxist Prime Minister Cheddi Jagan." The AFL-CIO had put up the money for the strike, reportedly $30,000 to $50,000 a week (U.S. $) to begin with, and as the strike dragged on, $130,000 a week. George Meany had during May pointed with pride to the expenditure of 23 percent of AFL-CIO income in foreign countries, "on the front lines of the Cold War." When costs to the AFL-CIO had mounted over an estimated $1.2 million

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the TUC at last signed an agreement with the government to end the strike on July 7, 1963.*

The Governor had prorogued the legislature, bringing its consideration of the labor relations bill to an end, and the government agreed not to reintroduce the bill without consultation with the TUC. Each striker was to receive a loan of two weeks' pay, to be repaid within six months. Strikers were not to be discriminated against in rehiring.

The British Guiana government had weathered another storm, and it was the worst of all. Ten were dead and hundreds wounded in violence increasingly racial in nature. Government finances faced a heavy deficit unless social programs were cut back. Sugar production, the base of the economy, was short 40,000 tons, one eighth of annual production. Alumina and bauxite had lost nearly one fourth of the year's output, leading Alcan, the big Canadian producer, and the smaller users of processed bauxite to look around for other sources of supply. And the British were under overwhelming pressure to oust Jagan and impose a government acceptable to the United States.

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* An article by Stanley Meisler, "Dubious Role of AFL-CIO Meddling in Latin America," in *The Nation* of February 10, 1964, reports this cost estimate, and various other facts and educated inferences about the AFL-CIO role in the strike.

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Chapter 7

1964: Freedom Still Forbidden

With the end of the general strike, political and economic life in British Guiana resumed its usual character. United States labor representatives expanded their program of classes and "educational" features for union members. British Colonial Secretary Sandys visited the colony, admonished gatherings about the dangers of racial strife, and conferred generally about Guiana's prospects. An independence conference had been promised for later that fall, and Sandys gave the impression that the issues of independence and proportional representation in elected offices were being cautiously deliberated. Before his visit, however, press reports indicated that these issues had already been decided.

The *New York Times* reported that during June U.S. Secretary of State Rusk had made it clear to the British that continuation of the PPP government in British Guiana would heighten intolerably the American difficulties with Cuba. Rusk went on to say that an acceptable British action would be the imposition of proportional representation in Guianese elections. The same story (*New York Times*, July 10, 1963) reported that Prime Minister Macmillan had assured President Kennedy during their June visit that early independence was not contemplated for British Guiana.

In fact, according to a syndicated column by Drew Pearson which appeared on March 21, 1964, the secret reason why Kennedy included England on his itinerary during his June trip was because of his "haunting worry that British Guiana would get its independence from England in July 1963 and set up a socialist form of government." Mr. Pearson went on to say that:

> It wasn't mentioned in the communiqué issued by the United States and England after the Kennedy-Macmillan meeting, but the main thing they agreed on was that the British would refuse to

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grant independence to Guiana because of a general strike run by his political enemies against Prime Minister Cheddi Jagan.

That strike was secretly inspired by a combination of U.S. Central Intelligence money and British Intelligence. It gave London the excuse it wanted. British Guiana has not yet received its independence and another popularly elected, socially oriented government at the bottom of the one-time American lake has been temporarily stopped, such a one as was by the CIA in Guatemala in 1954.

Mr. Pearson reported all this in quite a matter-of-fact manner—indicating the moral level of American political thinking.

Though the issue of independence had already become a dead letter before Sandys' visit, Burnham took advantage of the visit to renew his demand for proportional representation; later United Force Senator Anne Jardim came to Washington to lobby in behalf of Burnham's demand. Miss Jardim also warned that British Guiana might become another Cuba, and Senator Thomas Dodd gave his backing to her proposals, as did Congresswoman Edna Kelly of the House Foreign Affairs Committee. The approval of Miss Jardim's appeal indicated no support for the principle of proportional representation, a method for giving legislative seats to minority parties which has never been popular in the United States Congress. It was supported as a suitable measure for British Guiana simply because of the particular end it was calculated to serve.

In the past, the British, too, have opposed the idea of proportional representation—both at home and in the colonies. A former British Colonial Secretary, Iain Macleod, had rejected proportional representation for British Guiana during the 1960 constitutional conference, later describing the system as "rotten and abominable." Conservative Member of Parliament Edward Gardner had pointed out that its imposition on British Guiana would be tantamount to rigging the election against the PPP. Eric Williams, Prime Minister of Trinidad, let it be known that he opposed any such imposition. No one seemed to favor proportional representation except the Guianese opposition and the United States Department of State.

Preparations for the inevitable British capitulation began with speculation in the British press about Guiana's financial

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difficulties. A London dispatch to the *New York Times* (July 11, 1963) reported a prospective deficit of $3 million in British Guiana's budget for 1963. A British official was quoted as saying, "The financial mess can topple Cheddi as effectively as a constitutional action by London."

Guiana's Finance Minister Charles Jacob issued a sharp denial as soon as he saw the stories, and gave the figures on the government's financial situation. Regardless of the figures, the stories, which appeared to originate in the Colonial Office, continued to be published. Jagan was in London negotiating with investors for development loans when the stories next appeared. He was able to arrange contractor financing of some needed roads and sea defenses, but financing of home building was held up, and the stories from the Colonial Office seemed to be responsible. He returned home by way of New York to renew his pleas to the UN for help in winning independence.

The Committee on Colonialism agreed to send a Good Offices Committee to British Guiana to try and work out a common Guianese front for independence. The British refused to permit the visit, although they had allowed a UN team to visit Malaysia to review the situation there. Colonial Secretary Sandys headed off further questions by summoning Guianese political leaders to London for a constitutional conference in October, 1963.

The British Impose a "Settlement"

The constitutional conference deadlocked, as might have been expected. D'Aguiar opposed independence under a PPP government. Burnham insisted on a proportional representation referendum and an election before he would accept independence. Jagan asked that independence be granted under the existing government, but agreed to give up the remainder of his term if independence would be guaranteed to the government formed after a new election. He offered safeguards for civil liberties and constitutional government if the PPP should win such an election, suggesting that other Commonwealth countries might train the Guianese security forces, and that the

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UN have a "presence" in the country to insure democratic rights. He also asked that the voting age be lowered to 18.

Colonial Secretary Sandys was not in a mood to resolve differences. The third morning he bluntly told the delegations that they could stay and talk indefinitely, go home with the questions unresolved, or let the British decide. Jagan, Burnham, and D'Aguiar then signed a joint letter to Sandys, agreeing to accept a settlement imposed by the British. The conference adjourned on October 31, and within a few days the British issued a Command Paper stating their settlement.

The British settlement, in brief, imposed the American demands. No date was set or commitment made for independence, the lower voting age was rejected, and proportional representation was imposed for election of a new British Guiana government.

The proportional representation system imposed was extremely prejudicial to the PPP election chances. Lists of candidates named by each party for the country as a whole were to make up the ballot. By thus eliminating legislative representation by individual constituencies, a premium was placed on mass media campaigns. The legislators would be further removed from the people, responsible to the party which nominated them rather than to a community which had elected them.

Jagan, still in London when the decision was announced, sent British Prime Minister Home a vigorous protest, urging that the decision be revoked. "By refusing to fix a date for independence and to work out a reasonable compromise solution," Jagan wrote, "Mr. Sandys has completely dishonored the spirit of the mandate given to him by the leaders of the three political parties. Implicit in the decision of the party leaders that the British government should impose a solution was the understanding that an independence date would be fixed." Without waiting for an answer, Jagan hurried home to report to the British Guiana government.

In a bitter reply to the British Command Paper, the government reminded the British of their assurance in the 1960 constitutional conference Command Paper that no question of policy would be determined in the next conference

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"save that of independence." The government went on to answer Sandys' criticisms of racial troubles, election irregularities, and financial difficulties. During the constitutional conference, Sandys had reiterated the charge that "the government is insolvent." The government countered that not once during its time in office had it been unable to meet its financial obligations, and that while Sandys was speaking, its cash balance stood at $4.66 million. The government's answer concluded: "The British Guiana government cannot accept the constitutional proposals of Her Majesty's government. The proposals violate agreements already reached, and hold no prospects of resolving disagreements between different elements of the population. . . ."

The British went right ahead to implement their decision. Secretary Sandys had decided that new voter registration was necessary in preparation for an election, and C.W.Y. Hucks was dispatched to British Guiana to begin setting up the registration procedures. New registration of all voters promised to be a time-consuming job, and there was little possibility of having the election preparations completed before 1965. The British Guiana government refused (as of January, 1964) to have anything to do with the British election activities, but went ahead with the various tasks of government.

Government Programs for 1964

The government's 1964 program was outlined in the budget message which Finance Minister Jacob presented to the legislature in early January. In accordance with World Bank recommendations, the budget is separated into regular government expenditures and economic development expenditures. The regular operating expenditures budget is a revealing case study in an emerging country's endeavor to stretch meager resources to cover broad social needs. The development budget testifies to the economic crisis into which Britain and the United States have forced the Guianese.

British Guiana's regular government expenditures are financed from Guiana revenues. Receipts for 1964 are estimated at just under $70 million, mainly from income taxes and import duties. Expenditures of the same amount are projected.

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Three fourths of expenditures are in fixed charges, the greater part in wages, salaries, and expenses of the permanent civil service staff and in charges on the public debt. Little leeway is left for either emergencies or new projects.

Education takes over 12 percent of the regular budget, compared to eight percent in 1961, and health takes another 12 percent. Small increases in expenditure seem possible in 1964 for education and for roads and sea defenses, and for higher public assistance payments (from $6.50 to $7.50 a month in Georgetown) and payments to the aged and to needy families with children in school. This is the limit of possible advances in government welfare programs, even if all goes well.

The government was able to budget $14.5 million for economic development for 1964. Of this, $4 million was from British grants under the Berrill program and $6.4 million from loans. The compulsory savings plan was expected to make another $4 million available, and $0.1 million was estimated to come from other sources. Of the total of $14.5 million, $7 million was committed to carry on projects underway from previous years—a road to Bartica, a building for the central bank, extension of the Tapakuma land settlement area, purchase of the Georgetown Golf Club for a public recreation park, and small grants to stimulate Guianese arts and culture and to clear grounds for the University of Guyana.

The remaining $7.5 million was allocated among road and railway maintenance, drainage and land settlement, housing and water supply, health facilities and school construction, and geological and resource surveys. Of the total development expenditure, only a few million dollars invested in land settlement and new roads would directly increase Guianese production. The total for development, moreover, was almost offset by the $10 million in charges on the public debt in the regular budget. Russia had offered loans for agricultural machinery and industrial equipment at an interest rate of only two and one half percent, compared with the six and seven percent being paid on British loans, but the British would not permit acceptance of the Russian offer.

Efforts for industrial development continued with the establishment, toward the end of 1963, of the Guyana Industrial

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Development Corporation to promote capitalist investment in British Guiana. As early as 1946, economist A. P. Thorne had recommended such an agency to the British Governor's Industrial Development Subcommittee. This early proposal was effectively buried by sugar interest opposition, and continued sugar opposition made it impossible to revive the idea until 1963. The newly formed corporation included Ashton Chase as chairman, and representatives of sugar, bauxite, and smaller businesses, as well as of the political opposition.

The question of independence and of the British imposition was taken by Jagan to the UN, which voted, 78 to 0, with 21 abstentions, to call on the British to "fix without delay" a date for British Guiana independence. The British pretended not to hear the call, and went ahead with arrangements for a proportional representation election under continuing British rule. The PPP prepared to debate and decide in its 1964 annual convention the issue of whether to take part in or boycott the election.

Strike against King Sugar

While the political maneuvers and pressures evolved, their class character was laid bare in a struggle that developed on the sugar estates. The U.S.-backed political strike which ended in July, 1963, had been called ostensibly against legislation permitting a bargaining agent election among sugar workers. The end of this strike did not end the issue, but merely transferred it back to the sugar estates.

When the political strike ended, sugar workers jammed company offices to resign from the MPCA. Sporadic strikes for recognition of a freely elected bargaining agent broke out, but Booker's and the Demerara Company stuck with the MPCA. The GAWU gathered 14,000 letters from workers resigning from the MPCA and naming the GAWU as bargaining agent, but the companies refused to budge. The union asked that the Commissioner of Labor examine their books and those of the MPCA, and certify the majority union as bargaining agent. The companies refused to permit this, insisting on the right to do the examining themselves.

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After months of such company tactics, the GAWU called an industry-wide strike, and Booker's many words of sympathy for Guiana's welfare were drowned out by British troops patrolling sugar areas, and by police under British direction invading workers' homes. The sugar industry, in the midst of one of the most profitable years in its history, determined to sacrifice short-run gain for long-run power, and girded for battle.

Georgetown businessmen rallied behind the expatriate lords and masters. Guianese professionals faced the inevitable moral dilemma of the middle class, torn between sympathy for the needs of human beings and the demands of property and power. The urban union leaders who had been sucked into U.S. designs, many paid by U.S. funds, condemned the strike. The rural working class and peasantry lined up solidly in support.

The history of British Guiana has been the history of struggle between British sugar plantocracy and Guianese sugar workers, and it is therefore fitting that British and American control of Guiana comes to a showdown in a strike by sugar workers. As this is written, the strike outcome is still in doubt, as is also, of course, the outcome of the political and social struggle going on in Guiana.

What Now?

This chapter of Guianese history ends like an installment of a movie serial, in danger that seems inescapable. Guiana is apparently promised independence if the political parties supported by the United States (PNC and United Force) win the election the British are preparing. But even should a Burnham-D'Aguiar coalition win the election and form a government, it cannot hold power without dramatic economic progress or extensive use of force. An alternative possibility, to split the PPP and form a government composed of the PNC and a faction of the PPP, seems likely to be the long-run aim of the United States.

The PPP now represents half the country, and no stability is possible without PPP support. The capitalist investment

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through which the United States expects development will never come with instability, and in no event could be adequate for Guiana's economic needs. All that an election victory favorable to the United States can mean is heightened tension, economic frustration, and an ever-growing use of force by the government.

If the PPP contests the election and wins, it must carry through the achievement of Guiana's independence or its victory will be hollow. Economic development cannot longer be delayed, and seems impossible under British rule. Some Guianese expect that a Labor victory in the coming British election will bring a new British attitude, but this expectation is hardly supported by history. British Labor's attitude toward British colonies has in the past been little different from that of the Tories. Moreover, the fact that United States labor is the instrument of United States aggression in Guiana makes it doubly doubtful that British Labor will take an enlightened stand.

As long as the PPP is in office, the United States will undoubtedly keep the pressure on British Guiana. Can a democratic government survive these riots, strikes, and constant threats of violence? The PPP leaders have consistently and vigorously insisted that Guiana can achieve independence and socialism through parliamentary democracy, and if it were not for the United States, a democratic Guianese solution would certainly seem possible. As it is, the United States promises power and money to politicians who fight the Cold War, whatever their programs and however they exploit racial and community divisions.

Jagan must have had this in mind when he told the Washington Press Club in 1961 that it is the United States view of democracy that is on trial, not the view of the British Guiana government. The hope for Guiana rests on the fact that the United States view is on trial not only in Guiana, but throughout the world. The emerging world in particular questions the United States thesis that democracy is the same as capitalism, and that the essence of freedom is freedom for capitalist enterprise and exploitation.

Among the perverse implications of the United States

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concept of democracy that Jagan noted is the threat that democratic processes will be suppressed wherever they promise economic (as well as political) independence. A clear-cut lesson taught by our own history is that foreign subversion and force cannot stop a country from winning independence. Regardless of British and United States intervention, the Guianese will carry on their struggle, aided by and strengthening the whole emerging, non-imperialist world.

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PART II

ECONOMIC DEVELOPMENT

There are two sides of planning for economic growth. One concerns organization of labor, capital, and resources to increase agricultural and industrial production. How much of the needed factors can the country provide and what sacrifices will providing them entail? How much can be obtained from foreign loans and grants? What should be produced, and how can the factors be organized for maximum social output?

The other side of planning concerns the fruits of economic growth. Will economic progress benefit only foreign capitalists and a native elite, leaving the masses in poverty? The question of distribution of the sacrifices and the gains of economic development is basic to all aspects of planning. Its answer will determine not only who gains from economic development but who takes part in it.

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Chapter 8

Imperialism and Underdevelopment

Jocelyn Hubbard, British Guiana Minister of Trade and Industry, likes to explain the plans for his country's future while standing in front of a large relief map in the national museum. The green coastal strip is indeed thin against the expanses of unexplored interior. Little lights here and there on the map mark the interior's few settlements. The farthest outpost is the Brazilian border town of Lethem, where a small, government-owned packing plant processes beef which is shipped by government airline to Georgetown. Cattle are raised on the short grass of the surrounding savannahs, which extend intermittently from Guiana's Rupununi area to the great Rio Branco grasslands in Brazil.

Other lights back toward the coast mark bauxite mines which supply half the ore for Canada's great aluminum industry. (British Guiana is the world's third source of bauxite, after Jamaica and Surinam. Over two and one half million tons are produced each year from mines bordering the Demerara and Berbice Rivers, down which the bauxite and bauxite products are shipped.)

Inland from the bauxite mines are the waterfalls and rapids that block river transportation to the interior. The highest of these, a falls on the Potaro River called by its Indian name Kaieteur (Old Man), is a sheer drop of 741 feet. The many falls and the volume of water carried by the rivers is a hydroelectric potential of particular significance for the development of Guiana's bauxite resources. (Reduction of aluminum requires nearly seven kwh of electricity per pound of aluminum produced.)

Near the Venezuelan border, other lights place the manganese deposits that have renewed Venezuelan claims to an area that President Cleveland wanted to take away from Britain. Between the bauxite and the manganese mining areas

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is the town of Bartica, at the junction of the Essequibo, Mazaruni, and Cuyuni Rivers. Far on up the Cuyuni from Bartica, maps show El Dorado, a remote spot in the Venezuelan jungle that once represented Sir Walter Raleigh's dream of wealth.

Bartica is the jumping-off place for the interior, and lights beyond the town show gold and diamond locations on the Cuyuni and Potaro Rivers. Gold was mined in this area for years by British corporations, and by prospectors called *porknockers* by the Guianese. The British corporations stopped activities a few years ago, when rising costs caught up with the fixed price of gold. About the same time, rich diamond finds enticed the *porknockers* away from the search for gold. (Between 1957 and 1961 diamond production increased from 28,000 to 112,000 carats per annum, while gold production declined from 16,500 to 1,700 ounces.)

Diamonds are found in river bed alluvium, and are mined hydraulically. Miners working underwater locate pockets of sand and gravel in which the diamonds may have lodged. The pockets are cleared by suction pumps, and the proceeds shared with the miners. Other shares go to the operator, often an American promoter, and to the holder of the mining concession, often a rich Guianese named Correia.

Traces of copper and iron and of columbite and other ores have been found, but exploration is hindered by the dense cover of tropical rain forest and an obscuring blanket of deeply weathered rocks. In recent years, government geological crews have been exploring and mapping areas likely to repay further investigation, which will be aided by specialized techniques of geochemistry and geophysics.

Still farther back in the interior, beyond the mining locations, are widely scattered Indian villages. These are the villages in which W. H. Hudson saw, played out as on a stage, the last act in the great American Indian tragedy. On the walls of the National Museum hang bows and arrows, with which these Amerindians still hunt, and samples of their handicrafts, and of balata, the native rubber they collect and sell.

Jocelyn Hubbard is a sturdy, long-time campaigner in political and social struggles, and now he is the business manager of various government economic enterprises. He seems

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firmly enough rooted in practicality, but unexplored frontiers and uncharted wilderness have intrigued more prosaic souls than his. "Let them keep their little strip," is the remark with which he dismisses the narrow line along the coast. "The rest belongs to us." "Them" are the British sugar barons and American aluminum magnates. "Us" is the Guianese people. This is the hope generally seen for socialism in British Guiana. Let the foreign capitalists keep what they have; new development will be Guiana's. The economic possibility that this offers socialism seems limited indeed, but there may be no better course that British Guiana can take.

The Imperialist Legacy

British Guiana today is a typical underdeveloped country. The country's economy, in fact, fits the classic pattern of imperialist exploitation in all essential ways.

British Guiana's two most valuable products are sugar, which accounts for over a third, by value, of all the goods the country produces, and bauxite, which accounts for another fifth. Sugar production is in the hands of two companies, both British-owned. Booker Brothers, McConnell and Co., Ltd. produces four fifths of British Guiana sugar, and the Demerara Co., Ltd. produces practically all the rest. Bauxite operations are in the hands of a subsidiary of Aluminium, Ltd., Alcoa's billion-dollar ally, and Reynolds Aluminum. Manganese ore is mined by a subsidiary of Great Lakes Carbon. These five foreign companies account for three fourths of all British Guiana exports; two of them, Booker's and Aluminium, Ltd., account for three fifths of all exports and half of all goods the country produces.

The British Guiana economy is, as is true of many "underdeveloped" countries, underdeveloped only in the production of goods for the Guianese people. Extraction of mineral ore and production of raw sugar are highly developed technologically. Such economies are called "export economies," because of the dominance of the export sector, and "dualistic economies," because of the contrast between the technical endowment of export production and that of production for use at home.

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Production for home use has been smothered by the dominant, foreign-owned industry, or starved by diversion of the country's factors of production to the service of that dominant industry.

Foreign ownership of great tracts of land, or control of marketing facilities, or both, led to monoculture in underdeveloped economies—e.g., bananas in Honduras, cocoa in Ghana, sugar in British Guiana. A Royal Commission report in 1945 described British Guiana agriculture as follows: "Practically all well-drained land is in sugar. . . . The areas devoted to rice and pasture are badly drained and abound in large, swampy areas where almost amphibious cattle, sheep, and pigs eke out an unusual existence."

The dismal rural picture sketched by the Royal Commission has been changing since the report was issued, through efforts of the Jagan government. Rice production (Guianese-owned) now amounts to almost half the value of sugar. The government has endeavored persistently to strengthen family farm agriculture—by allotting reclaimed land to applicants in adequate farm units, by aiding in production and marketing, and by providing community facilities to make life on the land more appealing.

After sugar, bauxite, and rice, the next export in value is manganese ore, of which over 200,000 tons were produced in 1961. Diamonds come fifth, accounting for over $5 million of 1961 exports. The only other export of any consequence is lumber, amounting to some $3 million in 1961. Forests are thick and lush over much of the country. Lumbering and milling is done on a relatively small scale, and except for a government pilot mill, is in private hands. If it is true, as the World Bank report of 1952 related, that the largest saw mill in South America is the British-financed BG Timbers mill in Georgetown, the continent's lumbering industry is in sad shape.

The social danger inherent in private exploitation of timber resources is clearly evident in British Guiana. The country has perhaps a thousand different kinds of trees, many of which are valuable hardwoods. The different kinds of trees are intermingled through the forests; there are no solid stands of marketable species. Of the seven million cubic feet of lumber cut in 1961, one and one third million was exported. Almost

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all the exports were of greenheart, widely used in Europe and North America as pilings in wharfs and piers because of its resistance to marine borers and rot. Greenheart trees are being quickly cut within working distance of streams and rivers, but no sustained-yield practices replace the trees being harvested. Sustained-yield is not an easy matter, for as far as is now known, greenheart shoots grow only in the protection of mature greenheart trees.

Since it is costly to cut only occasional trees in a thick forest, and since the most valuable tree is becoming extinct in accessible areas, present lumber operations are wasteful of labor, capital, and resources. How private lumbering operations can do other than compound this waste is as hard to see as where the capital for a social operation might come from.

The British Guiana economy fits the pattern of imperialist exploitation in another basic way. Imperialist capital regularly goes into the exploitation of natural resources used as raw materials by industries of the "mother" country. Even British Guiana sugar is shipped to England in semi-processed form, and refined there. Two thirds of all bauxite is shipped out as unprocessed ore. (Until 1961, when Aluminium, Ltd.'s subsidiary opened a plant to process bauxite into alumina at Mackensie, the proportion was more than four fifths. But even here, the alumina is smelted into aluminum in Canada.) All manganese goes out as ore. Greenheart is sold abroad mainly as logs or as hewn timbers.

These few raw materials are exported in exchange for a diversity of manufactured goods. Imports in 1961 amounted to $147 million; consumer goods and fuel accounted for 60 percent of this sum, and equipment, machinery, and material for processing accounted for the remaining 40 percent. Some $15 million is spent annually on imports of food which could be inexpensively produced and preserved at home. Imports of lumber and wood products amount to 40 percent of the value of timber exports. These are but two of British Guiana's economic anomalies.

A number of small Georgetown plants manufacturing a variety of products for the local market have been developed in the last few years. Products include soap, animal feed, matches,

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margarine and vegetable oils, beer and rum and soft drinks, jams and jellies, biscuits (cookies), drugs and patent medicines, cement blocks, and oxygen and acetylene. The list is more impressive than the fact. The total product amounts to less than 14 percent of the value of imported consumer goods. These small enterprises do, however, represent the beginnings of the private developmental investment that imperialism has discouraged, and mark the emergence of a new economic force. Several of the small businesses are financed by Booker's, but even these develop skills and keep at home some money that would otherwise go abroad.

Transportation, communication, and light and power in British Guiana also illustrate the consequences of imperialist control. Neither British company profits nor revenues paid to the British government out of those profits have been put back, to any appreciable extent, into what economists call "infrastructure," or "social overhead."

Roads in British Guiana are unbelievably few, and to the American visitor terrifyingly narrow. One road runs for 190 miles along the coast. Other public roads in the coastal area which extend short distances up the river banks add up to another 160 miles. These roads are mostly surfaced with asphalt and burnt earth, and are invariably full of traffic along their total length. Pedestrians, bicycles—often carrying two or three passengers—horses and donkeys pulling carts, cars, buses, and a few trucks, crowd the roads from dawn to dark. Originally the roads were built to connect sugar estates with Georgetown and New Amsterdam, and to enable troops to move quickly against slave revolts. The sugar itself was transported by water, so that substantial roads were not necessary. Now that sugar production is being mechanized, great Booker vans truck raw sugar into Georgetown, straining the inadequate roadbed and grinding out a warning for its future.

Another 180 miles of dirt-surfaced roads (corduroy across swampland) connect Bartica with mining areas. Finally, the government maintains 400 miles of broad trails, passable in dry weather by four-wheel-drive vehicles, which connect major points in the interior. Five hundred and thirty miles of roads,

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perhaps 100 miles of which are asphalt surfaced, 400 miles of trails, and 78 miles of railroads are the entire transportation base for vehicular traffic.

Transportation to the interior is mostly by water or by air. The government operates a small fleet of launches that travel the rivers and the coastal waters. British Guiana Airways, organized privately, is now owned and operated by the government and maintains landing strips here and there in the interior, although several of the planes are amphibious and land on rivers. Private operators of the air service could not make a profit, and the government keeps it going in spite of operating deficits. The international airport outside of Georgetown is large enough and fairly well equipped for present needs, having been built by the United States as a base for military planes en route to Africa. American troops are still stationed there, as they are on various other Caribbean bases which Britain leased to the United States early in the Second World War. A comparatively good road connects the airport with Georgetown.

The coastal land lies on a shifting base of mud mixed with organic matter, making road construction and maintenance very expensive. Inland, forests, rivers and heavy rainfall make roads almost as costly to build and keep up. Yet the country must have more roads and better roads to make industry possible along the coast as well as to open the interior. The profits taken from the country in the past cannot now be taxed to build the basic structure that should have been built as the profits were being made. The infrastructure must be built on credit, and paid for from future production.

The railroads are also an instance of the failure of the imperialists to meet the country's needs. One stretch of standard gauge runs 60 miles from Georgetown down the coast to Rosignol, on the Berbice River opposite New Amsterdam. Another, of narrow gauge, runs from the western side of the Demerara River, opposite Georgetown, up the coast 18 miles to Parika on the bank of the Essequibo. Government ferries cross the river at each terminus.

The railroads were built by English capitalists, and operated for a profit. The British government assumed ownership in 1919, when profits began to fail, and managed the

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railroads in the same way the private owners had—keeping expenses for upkeep to a minimum and avoiding capital outlay for modernization. At last the British Guiana government took them over—decrepit rolling stock, obsolete shops, and deteriorating lines. For this bargain, the government must go on paying a perpetual annuity to the original British owners—$84,000 a year to the end of time; in addition, it must absorb the operating losses of nearly $1½ million a year made inevitable by the condition of the roads and equipment.

A judgment merciful to the former owners would have found them guilty of misfeasance in their responsibilities to the country, would have waived any penalties, and simply appropriated the railroads. Or the British government, which had made the agreement with the British owners, should have been advised that the annuity was their problem, and would not be paid out of British Guiana resources. But only in dreams do empire courts hand down such judgments.

The railroads carry passengers primarily, and some rice and other freight. They cannot be abandoned until an adequate highway is built to take their place. Either project—improving the railroads or building the highway—would be very costly.

Georgetown's electric power supply presented similar problems, although these were more easily solved. The power plant was owned by a Canadian company, which was unable or unwilling either to modernize or expand enough to keep pace with demand. At last the British Guiana government bought the plant from its Canadian owners, negotiated a loan for the necessary expansion, and began to press for efficient operating practices. Within three years the $3.3 million (Canadian $) purchase price had been paid off.

Banking, currency, and credit in British Guiana have been tied, in typical imperialist fashion, to English interests. One great English bank, Barclays, and the Royal Bank of Canada, maintain the only banking houses in the country, although the government operates a postal savings system. In brief, banking operations in British Guiana were geared to stultifying economic development. Credit simply was not advanced for working capital, but solely on fixed capital security. The World Bank report of 1953 criticized the local banks' restrictions on

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development credit, noting among other things that only 27 percent of local deposits were invested locally.

This, then is the economic legacy left British Guiana by the imperialist policies of her rulers—a land whose chief assets have belonged to foreigners and whose resources have been turned into profit for strangers instead of into production for the welfare of her own people.

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Chapter 9

Background for Economic Planning

While the standard of living in British Guiana is low compared to that of industrialized countries, it is higher than in a good many Asian, African, and Latin American countries. Nor is British Guiana disfigured by the blighted areas of extreme poverty found throughout Latin America and the Caribbean. According to family budget analyses made by the Labor Ministry in 1956, the average annual income of a wage earner in British Guiana at that time was $345. Family expenses were somewhat higher than family incomes, a phenomenon not uncommon in capitalist economies. Family meals averaged 2500 to 2600 calories a day per adult, but were low in vitamin B and in fruits, vegetables, and animal proteins.

An unemployment survey made by the International Labor Office indicated that the unemployed numbered 29,000, or 18 percent of the working force of 164,600 in 1956. The Georgetown and New Amsterdam urban areas accounted for 41 percent of the unemployed, although less than 30 percent of the people. Half of the unemployed were women, and one out of three was a young man or woman who had never worked. Of those employed, many were in domestic service, a residual employment characterized by very low wages. Underemployment as well as unemployment was common in the countryside. Unemployment has grown somewhat since 1956, both absolutely and as a percent of the working force. Mechanization is displacing large numbers of sugar workers, and the growth in national production has barely kept up with the population growth.

British Guiana's population began to increase in the 1920's, and is now growing at a rate of over three percent a year. Prior to 1921, a high death rate, particularly among children, and a relatively low birth rate, kept the population constant in spite of massive importation of indentured labor. Beginning

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in the 1920's, the British instituted public health measures. In the 1930's, funds were made available for pure water supplies, and after the Second World War, the world's first successful malaria eradication campaign was carried out in British Guiana's coastal areas.

The 1960 census recorded a British Guiana population of 559,000, and projections based on the past rate of growth point to a population of 647,000 in 1965, 745,000 in 1970, and 859,000 in 1975. Even the Amerindian population is increasing by leaps and bounds. Their hunting and fishing and agricultural economy has seen little technological advance; yet their numbers double each 23 years. Their situation portrays, in miniature, the economic problem of the entire country.

Economic Development, 1960-1964

The British Guiana government has since 1960 been carrying through the economic development plan for 1960-1964 drawn up by Cambridge economist Kenneth Berrill. British development funds were restricted to the limits of the plan, and the British would not tolerate financing of development by communist governments. A quick glance at the Berrill plan indicates the economic development contemplated for British Guiana by the British.

Berrill prefaced the submission of his report with the comment:

> As a newcomer to British Guiana, I was impressed by signs of expansion on all sides; and I believe this expansion will continue. Signs of poverty, and of a need for yet more improvement, were equally apparent; but available resources are necessarily limited. To supplement them by excessive borrowing in 1960-1964 would mortgage the country's future, and my most firm conviction on the economy of British Guiana is that her development needs will be as pressing in ten years' time as they are today.

The report proposed a minimum program of $110 million and a maximum program of $135 million. The British adopted the minimum program. Of the $110 million expenditure for the five-year period, $19 million was for social welfare, and $91 million for development. Almost $49 million of the development

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funds was earmarked for agriculture, and much of the rest ($26 million) was for transportation and communications.

British grants and loans were committed for $71 of the $110 million, and the British Guiana government was to raise the rest. As noted in an earlier chapter, the government was able to find only $5 million of the sum it was to borrow, and British Guiana revenues could provide very little surplus. As the program went ahead, increased material costs and higher wages and salaries raised the costs of the proposed projects from $110 million to $135 million. As a result of lower incomes and higher costs, the Berrill program, minimum to begin with, had shrunk almost in half.

The year following approval of the Berrill program, Peter Newman of the University of the West Indies published a critical appraisal. The signs of expansion that Berrill had seen on all sides, Newman could not find, nor have economists since been able to discover them. Instead of the rate of national income growth of six percent that Berrill had found during the 1950's, Newman computed the rate as 5.2 percent. Subtracting for higher prices that had been paid for exports compared to imports, he found the national income growth rate due to increased production to be between two and three percent. This is less than the population growth rate (3.2 percent), and would therefore mean a falling standard of living if the terms of trade turn against British Guiana.

Beginning from the premise that British Guiana should raise its national income as rapidly as possible, Newman reasoned that development should be based on industry, rather than on the development of agriculture projected in the Berrill plan. Capital requirements are high in Guianese agriculture because of the necessity of expensive sea defenses, drainage, and irrigation. Costs at the large land settlement of Black Bush Polder, for example, came to between $9,000 and $10,000 a family. Investment in industry can, in Newman's analysis, provide as much employment, and product of higher value, than like investment in agriculture.

British Guiana's endowment of bauxite, manganese, other ores, and timber, and its hydroelectric potential open the way

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for an economic base in heavy industry. Newman suggested that the development program should concentrate on the processing and manufacturing of minerals, metals, and wood and be backed up by light industry and efficient agriculture. He noted that rice, singled out for expansion in the Berrill plan, was a low income crop. Carleen O'Loughlin had estimated the average annual yield on rice farms of up to 50 acres to be only $70 an acre. Newman saw a program with such a base "going not very fast to nowhere in particular" except to a low-income peasant agriculture.

The British Guiana government's successes in raising rice production, quality, and prices (summarized in other chapters) has shown that in this respect, at least, Newman underestimated the agricultural possibilities. With his general argument, however, the government has been in helpless agreement. The Berrill program had been adopted, not because the Guianese government preferred agriculture rather than industrial development, but because this was what the British were willing to approve. With only $80 million to $90 million for a five-year program, the British Guiana government had little leeway for development of any kind.

Newman concluded his analysis by recommending a development program of $110 million a year, five times the amount the British had approved. In making this recommendation, he pointed out that neighboring Surinam's development plan provided *twice* this rate of investment per capita.

The Surinam plan, a ten-year program drawn up by the Surinam government and Netherlands economists, presents various revealing contrasts to the British Guiana program. The most obvious differences are that the Surinam plan concentrates on industrial development, and that, even though this development is privately financed, the Netherlands government and the European Common Market are putting far more money into Surinam than the British are putting into British Guiana. The Surinam program allocates one fourth of its funds to agriculture, while British Guiana allocates one half; yet Surinam still has more money per capita available for agricultural development than British Guiana has.

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Private Enterprise and Economic Growth

Methods for attracting private investment are part of economic planning in British Guiana as well as in almost all developing countries. These methods are often quite different for large-scale and small investment. The essential for investment by the great imperialist companies is simply an exploitable reserve of a wanted natural resource, and British Guiana has more such reserves than many underdeveloped countries. Where rich enough reserves exist, the necessary agreements regarding safety of investment, taxes, and business responsibilities can be worked out directly between the government and the capitalist. Aluminium, Ltd., Booker's, and Great Lakes Carbon have invested a total of over $100 million in British Guiana in recent years, regardless of the PPP's socialist orientation.

To encourage small business, the British Guiana government grants duty free importation of capital equipment and tax holidays on profits to small as well as large investors, and provides mortgage guarantees to stimulate home building. Feasibility studies are made by the government to aid smaller investors in various industries, and government participation is offered private investors in certain operations.

Small investors also require an assurance that their investments will be safe from expropriation, and will earn a high rate of profit. In spite of United States guarantees of approved investments, the profit rate necessary to attract capital to a country as well situated as Puerto Rico has been found to be in the neighborhood of 30 percent. An even higher rate is necessary in countries such as British Guiana, which are not so attractive to investors.

Where are such high returns possible, and how can they be assured? Tax concessions attract investment by raising net returns to the investor, and although the government foregoes needed revenue, any country that does not offer tax exemptions suffers a fatal disadvantage. Corruption and special privilege are incentives to investment in many countries, and advertising may help. (At least General Trujillo thought so.) More important than any of these is foreign political control, as in Puerto Rico. Failing political control, there must be political

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stability, and in any case development must already be underway.

The high profits—most of which are repatriated—and freedom from taxes seems a high price for a poor country to pay for investment. A *Business Week* roundup of December 7, 1963, reported that $1 billion (U.S.) a year is sent out in dividends from Latin America each year. Add this to debt charges and to native capital sent to banks in the United States and Europe and the sum sent out of Latin America (and the Caribbean) each year is considerably in excess of foreign investment and foreign aid coming in. (This helps to explain why Brazil's ex-president Goulart attempted to limit repatriated profits to 10 percent of investment. The attempt may also help explain Goulart's overthrow.)

To the economic price the poor country has to pay must be added the social price—the demands for special privilege, the incentives for corruption, and the pressures for a reactionary political climate. The country must also take into account that a class of native entrepreneurs will grow up together with foreign investment, and will almost certainly become a violent enemy of social progress. The most obvious British Guiana example is Peter D'Aguiar, whose involvement in politics has been an incessant affliction for the country.

In spite of the social and economic handicaps, developing countries need capital so badly that incentives for investment are everywhere offered capitalists. Even the Chinese, the most austerely communist of any developing country, encouraged Chinese capitalists through scrupulously fulfilled incentives to take part in Chinese industrialization. China, though attracting relatively little foreign aid, has achieved the most remarkable of any record of postwar economic growth through a rare combination of national planning, local initiative, and communal effort. The capitalist contribution was small, but it was part of a total national endeavor.

One of the few capitalist countries to approach China's rate of national income growth is British Guiana's neighbor, Venezuela. The Venezuelan economic growth has been brought about by massive United States private investment and United States governmental aid. Its most impressive social consequence

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has been the slight enlargement and considerable enrichment of an aggressive class of privileged Venezuelans. Surrounding the few privileged live the masses of the Venezuelan poor, more numerous and poorer than ever for all the economic growth. British Guiana's other neighbors who have achieved economic growth—Jamaica, Puerto Rico, Brazil, Surinam, and Colombia—present in varying degrees the same shocking social contrast. The frightful slums engulfing their cities simply reflect the character of their economic development.

In Cuba the economic transformation has been as rapid as in China, although achieved with relatively more foreign aid. Other emerging countries, not so hard pressed by threats of invasion, are moving less precipitately toward socialism. These countries plan longer and less harried transitions, with more capitalist economic participation. The whole nation is enlisted in economic progress, and a first charge on national production is an increase in the living standards of the poor. British Guiana is among the countries hoping for this kind of development.

The PPP, considering the possibilities for Guiana's economic growth, and surveying the human wreckage in neighboring economies, concluded that Guiana's needs are for a planned economy, with a place for foreign and native capitalist investment, but paced by socialist development. To determine how such an economy might be achieved requires a closer look at the present Guianese economy, particularly minerals and sugar (foreign-owned) and family-farm agriculture (Guianese-owned).

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Chapter 10

Sugar and Socialism

British Guiana's agriculture was from the outset concentrated in large-scale operations. There are today, in sugar, almost none of the family farms common in the United States and Canada, or of the peasant holdings so important in European production and politics. Flying along the Guianese coast you see the land below laid out continuously in neat, green rectangles bounded by canals—a pattern far more regular than that of the Iowa countryside. Perhaps in no other country except Russia is agriculture so socially organized and so centrally planned and directed. The organization and direction of more than half of Guianese agricultural production is in the hands of one great sugar corporation—an agricultural prototype of the social organization and private appropriation characteristic of capitalist industry.

There are only about 400,000 acres of land under cultivation in British Guiana, and one fourth of this is in sugar cane. The area in cane is the best drained and the most accessible of any agricultural land. Sugar estates occupy 150,000 acres altogether, the 50,000 acres not in cane being fallow, or in canals, in workers' and supervisors' housing, and in community facilities.

The $65 to $70 million in sugar, rum, and molasses produced each year is more than one third of British Guiana production—agricultural, mineral, and industrial. Over 95 percent of sugar products is exported, and the value of these exports is over 40 percent of the total value of all British Guiana exports. The major sugar company, Booker's, pays an income tax averaging $4.4 million a year, one fifth of the government's annual income tax revenue.

At the end of 1961, out of the 160,000 members of British Guiana's employed working force, 20,500 were employed in sugar production. Of the sugar workers, over 16,000 worked in the fields and nearly 4,500 in the 11 factories owned by the

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sugar companies. The factories put sugar through its first refining stage, and the slightly brownish product is shipped to England for final processing.

Sugar production is labor intensive (using a high proportion of labor to capital per unit of output) but this is changing rapidly. In 1955, 26,000 workers produced 250,000 tons of sugar from 80,000 acres of cane. In 1960, only 20,500 workers produced 329,000 tons from 98,000 acres. Labor productivity rose from 9½ tons per worker in 1955 to 16 tons per worker in 1960. Mechanization of field operations, and to a lesser extent the more efficient organization of the industry, displaced 5,500 workers in these six years.

During these years of rapidly rising labor productivity, wages rose almost as rapidly. Average weekly earnings for field workers on Booker's estates increased, according to company reports, from $16.77 in 1955 to $27.82 in 1962. Average earnings of factory workers increased from $18.44 to $31.36. The sugar companies have also paid year-end bonuses in high profit years, and they provide medical service for workers. As of mid-1963 there was no unemployment insurance or old age pension plan, or severance pay for workers displaced through mechanization.

Welfare programs on the sugar estates are financed by an export tax on sugar, and administered by committees of company, MPCA, and government representatives. As now constituted, the committees are company dominated, and the welfare programs are criticized as favoring sports activities and community centers over housing and health programs. Of 18,000 British Guiana homes without minimum facilities for sewage disposal, 6,000 are on sugar estates.

Booker Brothers, McConnell & Co., Limited

In 1828 there were 230 sugar plantations in British Guiana, belonging to almost as many owners, and producing about 50,000 tons of sugar annually. Now there are 19 estates, which produce 330,000 tons, 80 percent of which is produced on estates owned by Booker's. Fourteen of the 19 estates are owned by Booker's and four by the Demerara Company (called Sandbach-Parker locally after the company's merchandising branch

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name). One estate, far smaller than any other, is independently owned. Only 2,100 acres of the 100,000 acres under cane are not administered by the estates. These peasant holdings, averaging two acres in size, sell their cane to the estate factories.

The Booker founders started out in British Guiana just after British possession became *de jure* in 1814. Through the years, the company took over and consolidated plantations, especially when many plantations were abandoned upon the abolition of slavery. From time to time the company branched out into subsidiary lines, including shipping and merchandising. Other company operations now include insurance, marketing and advertising agencies, and a variety of small manufacturing enterprises. So pervasive are Booker's interests and influence that British Guiana has been commonly referred to as Booker's Guiana.

After the PPP victory in 1953, Booker's began to insure themselves against possible disaster for capitalists in British Guiana, and against the price uncertainties in sugar, by expanding into other countries and other lines of business. The company now has, in addition to its British Guiana holdings, substantial agricultural and commercial interests in Nigeria, Nyasaland, and Northern Rhodesia in Africa, in Barbados, Trinidad, and Jamaica in the West Indies, and diverse manufacturing and distributing interests in Canada and England. The company's basic operation is still in British Guiana, however, and nearly two thirds of its profits are made there.

In 1961, Booker's reported profits from all sources, after taxes, of £1,130,249, some $5.4 million. This represented a return of 6.2 percent on the £18,209,565 of invested capital. And 1961 was a low profit year, the rate of profit from 1950 to 1960 running from 7 to 10 percent. (According to the company's 1961 report the "austere" view of profits indicated by the 1960 figures is the result of the considerable amounts set aside for depreciation and replacement.) Since 1950 the stockholders have recovered in dividends their capital investment. This may be comforting to some who are distressed by the thought that the British Guiana government might expropriate Booker's holdings.

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Expropriation

The possibility of expropriation of sugar has been the subject of intense agitation in British Guiana, even though Jagan has publicly assured Booker's and the British government that he has no intention of nationalizing sugar in the foreseeable future. The agitation represents, for the most part, efforts by the anti-communist crusaders to persuade Booker's chairman Jock Campbell to join the war on the Jagan government. The ground given for the agitation is that Jagan, writing in 1953, stated that the PPP believed in socialism, and therefore looked forward to a nationalized sugar industry.

Whether Jagan was right to give assurances that sugar would not soon be nationalized is a practical question. Since expropriation is, however, widely attacked as a mortal sin, let us quickly summarize the moral point involved. It has been accepted since Aristotle that a moral judgment of an act rests on the consequences of that act. In expropriating the sugar holdings, no violence or human agony would be involved, so the issue is relatively simple. On one side of the scales of consequence would be the hardship caused the British owners through loss of their property; on the other side are the needs of the Guianese people. The question of whether compensation should be paid for expropriated property is essentially the same as the question of whether it should be expropriated in the first place. Compensation for the expropriated sugar property would mean withholding money from people who need it desperately, and paying it to a few who by and large do not need it.

The question of expropriation is thus reduced to the practical question of whether the British Guiana government could put the sugar holdings to as effective social use as the private companies do. The answer to this question depends on the government's technical, financial, and marketing resources, and to some extent on the companies' plans for development of the industry.

The facts are that the government would not find it extremely difficult to manage the sugar operations. Scarce capital would have to be diverted from other operations;

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foreign administrators and technicians would have to be replaced, and new markets would have to be found. For a time help would have to be obtained from Cuba or Russia, but Cuba managed a far more complicated beginning, and could probably spare needed help.

Other practical questions, primarily political, are more difficult. The United States has been fighting nationalization for years, but could do little more than it has been doing against Guiana's government. The British would surely deny independence if nationalization seemed imminent, but are denying independence anyway, at least until after the next election. The PPP, however, hopes for continuing relations with Britain and with the United States after independence. Viewing the technical and political difficulties, the PPP apparently concluded that Booker's and the Demerara Co. should be assured that if they would promote the country's development while making profits, they should go ahead and do so.

The difficulties with this conclusion are twofold: first, it leaves the decisive sector of the economy in capitalist control; and second, the companies seem to have given no adequate assurances that they will promote capital development. Sugar is the main source of the country's wealth, and has to be a primary source of funds for needed development. There are a host of needs in the coastal area—roads and light and power, housing and community health facilities, schools and technical education, and most of all, employment through development of industry and diversified agriculture.

Mechanization and Unemployment

In 1956, the year of the ILO unemployment survey, only 56 percent of the people living on sugar estates were attached to the sugar industry. The other 44 percent were tenant farmers and their families, or agricultural laborers on neighboring farms, or were aged, or simply unemployed. That so many people living on sugar estates have no place in sugar production is a consequence of plantation history.

Sugar labor demand follows a seasonal pattern characteristic of agriculture. Large numbers of workers are needed for

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peak periods, even though they are unemployed during the rest of the year. The planters historically tried in every way to keep a supply of surplus labor around the plantations. They also tried to keep the people dependent on sugar work. Some fascinating Guianese folklore concerns the people's struggles to save mango trees around plantations from destruction by the planters and the Department of Agriculture. When the mangoes were ripe, people "grease pot and turn it upside down." They did not have to cook, or work.

Of the wage earners who were attached to the sugar industry in 1956, 16 percent were unemployed. Since that time mechanization has displaced six thousand more. Over these years, almost as many young people have grown up and entered the labor market. These unemployed masses living on the sugar estates—some having had for years no part in the industry, some currently losing their jobs through mechanization, some simply growing up and needing work—present the British Guiana government with one of its toughest problems.

Two programs are presently aimed at providing a means of livelihood for these people. One is the government's land settlement projects, and the other involves the companies' making available to peasant farmers plots of land from the sugar estates. These plots are used in part for subsistence crops and in part for growing cane. The sugar companies buy the cane, and give technical help in growing it. The government gives technical and marketing help in other crops.

These programs are far from adequate. The government's land settlement projects may have provided the equivalent of 11,000 jobs, but some of the families in land settlement projects had been tenant farmers on rice land, and some came from Georgetown and New Amsterdam. The government land programs can provide for only a fraction of the displaced sugar workers, and the company programs are utterly inadequate. The company programs will have to provide larger units, and more units, and involve other crops besides sugar cane. Industrial projects should supplement the agricultural. If they are to continue their Guiana operations, the sugar companies must do their share to develop the country's economy.

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Booker's Jock Campbell

Jock Campbell, a British Labor supporter, took over direction of Booker's during the rise of the PPP. Booker's was decadent colonialism personified at that time. Since then Campbell has been responsible for the company's vigorous policy of investment and expansion in emerging countries, and has been variously viewed by both the PPP and its enemies.

Relations between the government and Booker's are complicated by three factors. One is the incessant attack against the Jagan government by the cold warriors in British Guiana. Jock Campbell, during his visit to British Guiana in the spring of 1963, tried to talk some sense into the Georgetown Chamber of Commerce, which is dominated by Cold War mentality. When asked by the Chamber how businessmen can work with a government with a foreign ideology, Campbell replied that the more the government of a country has an ideological approach, the less ideological businessmen should be. The Chamber should, he said, confine itself to having practical programs instead of shrieking politics. Nobody seems to have agreed with Sir Jock, not even his own staff.

The Booker's staff is the second difficulty in the way of joint Booker's-government efforts. Booker's British Guiana staff suffers from the effects of social and political association with the British ruling elite, of which they are a leading part, and practical association with the MPCA. The first association, between Booker's management and the British governmental apparatus, ties Booker's to the past. Booker's British Guiana chief, Anthony Tasker, is one of the Governor's appointees to the Senate, and there votes against PPP proposals. In his Booker's capacity, he loads Booker's offices with PPP opponents.

The Booker's-MPCA tie explains much recent Guianese history. The MPCA was organized as part of a social reform movement conceived of by its founder, Ayube M. Edun, as the answer to communism, fascism, Ghandi-ism, and other isms in general. The betterment of conditions on sugar estates was also an objective, even though an incidental one. The movement spread rapidly during the depression and in 1939 the Sugar Producers Association, the companies' bargaining agent,

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recognized the MPCA as bargaining agent for field workers, who are practically all Indians. For factory workers, a majority of whom are Negroes, the companies favored a union called the Guiana Workers' League.

The split in union representation soon outlived its usefulness to the companies. Under leaders following Edun, especially right-wing politician Lionel Luckhoo, the MPCA discarded the character of reform that had animated its early years. The Guiana Industrial Workers' Union (later the Guyana Agricultural Workers' Union) grew up to challenge the increasingly company-union MPCA. To meet the challenge, the sugar companies encouraged the Guiana Workers' League to merge with the MPCA.

The Guiana Industrial Workers' Union led major strikes of sugar workers in 1948 and 1953, and intermittently led struggles and negotiations for settlement of grievances. Following the PPP victory in 1953, the company-MPCA alliance solidified. The company began checking off union dues on the basis of authorizations submitted by the MPCA. A worker could withdraw from the MPCA only by coming into a company office and, often before an MPCA official, signing a withdrawal form. Booker's backing, even more than British and United States union subsidy, kept the MPCA alive.

Jock Campbell knows that the Guianese government will in all likelihood be radical. "What have the people of British Guiana got to be conservative about?" he asked in his 1961 company report. Yet Booker's insists that sugar workers, who are the most radical section of government support, be represented by right-wing, anti-government politicians. Booker's need not have come out in favor of the Guyana Agricultural Workers' Union; all it had to do was permit a free expression of workers' wishes.

The reason for the contradiction between Jock Campbell's words and Booker's actions is no doubt simply that Booker's is a corporation, and that Jock Campbell is a realist. Booker's interests demand a stable government, and, while Jock Campbell is willing to work with a government that is radical, neither strong unions nor a particularly strong government serves Booker's interests. The situation between Booker's and the British

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Guiana government is one of maneuver and bargaining; both sides are willing to compromise, and both have much to gain or lose. In such a situation Jock Campbell has unusual ability, and bargains from a position of strength. The British Guiana government bargains from a position weakened by incessant attack. This is the major difficulty in relations between the government and the company.

In formulating its economic policies, the PPP should clarify its position regarding nationalization of the British Guiana sugar industry. Sugar so dominates the country that neither independence nor socialism can be assured as long as British capitalists own and run the industry. The PPP will no doubt live up to whatever commitments have been made to Booker's and the British about socialization. Whatever the short-run agreements, however, the country's long-run outlook must be for a socialized sugar industry. Within this long-run outlook, Booker's could still have a useful role. Jock Campbell's policies for Booker's seem to be thoroughly flexible, and over a period of transition to socialism, a plan mutually advantageous to the country and the company could be drawn up. This depends, in the first instance, on a secure, independent British Guiana government.

Sugar in the Future

"Strange, is it not," Eric Williams mused in *Capitalism and Slavery,* "that a substance so sweet has been the cause of so much misery." Bitter as the sugar past has been, its future need not be. Sugar consumption rises four and one half percent a year. As the West Indies Sugar Producers' Association points out, sugar cane is a good crop—maintaining soil fertility (a somewhat erroneous claim), resisting drought, disease, and tropical storms, and providing in the milled cane or *bagasse* a good fuel or raw material for paper products.

Sugar beets, often grown in industrialized countries, compete with sugar cane, grown mainly in underdeveloped countries. Within our world of conflicting nationalisms, the underdeveloped cane-growing countries have suffered from competition with the mechanized beet industry, but in an evolving

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socialist world, such competition is not necessary. For example, while Russia has a substantial sugar beet production, she surely benefited by shifting some of the land and labor in sugar beets to other crops when Cuban sugar made this possible.

Cane sugar production is everywhere being mechanized. But while mechanization in Cuba is releasing men for other needed work, mechanization in the other Caribbean countries releases men to unemployment and hardship. The Caribbean people are drawing the obvious conclusion.

After the Cuban output was taken by the socialist countries, there was a marked rise in world sugar prices, until, in 1963, the world price exceeded the Commonwealth price on the West Indies sugar quota. The Russian-Cuban agreements have assured the future of Cuban sugar prices, but the other Caribbean countries are at the mercy of the capitalist world market, and their prices may fall disastrously again as they have so often in the past. British Guiana could be a useful bridge between socialist and non-socialist sugar-producing countries in reaching an agreement on means for stabilizing world prices and production.

One other thing seems likely in a world increasingly industrialized. Agriculture is Russia's most trying problem, and this problem may forecast a world condition. Population growth and rising living standards will steadily increase the demand for agricultural products, but agricultural production is relatively inflexible. Production of manufactured goods, on the other hand, is becoming almost limitless. Supply and demand factors may therefore change to favor the primary-producing countries, which have in the past suffered from the operation of these factors. The countries based in agriculture may then, along with the rest of the meek, inherit their share of the earth.

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Chapter 11

A Bauxite Base for Industry

The mining of bauxite, and on a much smaller scale the refining of alumina from it, is British Guiana's second industry. Bauxite and sugar, between them, account for more than half the total production of the country. As is true of sugar, bauxite operations are in the hands of two great, foreign companies. One of these companies, a subsidiary of Aluminium, Ltd. of Canada, mines four fifths of the country's bauxite and produces all of its alumina. Aluminium, Ltd. and Booker's are effectively the owners of the Guianese economy.

Exports of bauxite and alumina were reported as totaling almost $40 million in 1961. This is 27 percent of all exports, and 20 percent of the total of all mineral, agricultural, and industrial production. All alumina and bauxite are exported, so the value of exports is, as time goes on, equal to the product value. Employees of the bauxite companies number only about 5,000, but the capital investment of about $150 million is high for British Guiana.

Bauxite operations in British Guiana date from 1914, when an American named Mackensie bought up ore-laden lands. (He is said to have told the unwary owners he wanted to plant orange groves.) Title to the land secured, Mackensie organized the Demerara Bauxite Co. (Demba), which Alcoa acquired in 1917 when it also took up bauxite concessions in neighboring Surinam. The first ore was shipped from both countries in 1922, and for most of the years that followed, Surinam was the number one bauxite producer of the world and British Guiana was number two. The United States was number three. (U.S. bauxite comes mainly from Arkansas.) In the 1950's, large bauxite deposits were opened in Jamaica, and that country has since been the world's first source of bauxite, with Surinam second and British Guiana third.

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The Aluminum Companies

In 1928 Alcoa organized Alcan and then Aluminium, Ltd. (Altd), to take over most of Alcoa's foreign (non-United States) operations. Alcoa kept the mines in Surinam, and turned over those in British Guiana to Altd. Altd has since achieved a capitalization of over $1 billion (U.S.), and is now second in size only to Alcoa among the world's aluminum producers. This growth has been founded in no small part on British Guiana bauxite. Demba, a subsidiary of Altd, wholly owned by the parent company, mines over two million tons of bauxite a year. Of this, some 500,000 tons can be reduced in British Guiana to 250,000 tons of alumina (aluminum oxide). The alumina is shipped to Canada for smelting into aluminum. Another 400,000 tons of bauxite are calcined at Mackensie and sold for use in refractory furnace walls and in abrasive tools. The remaining million tons of bauxite are dried and shipped to Jamaica and Canada for processing.

Demba represents an investment of about $130 million, of which $60 million is in the alumina plant. Some $9 million more is in housing, roads, water supply, and community facilities for the town of Mackensie, built by the company on the east bank of the Demerara River, at a point near the mines. As the company's operations grew, it built a hospital, which it opened to people of the area, and public schools. It also built and maintains a trade school and a nursing school, and sends a few students on scholarships to universities abroad. Stable labor relations are as important as skilled labor, and the company pays wages nearly twice as high as the going British Guiana rates. A contract setting these rates has been signed by the company and the British Guiana Mine Workers Union.

British Guiana bauxite is of as high a grade as any large supply in the world. High grade bauxite—having a high alumina content and few impurities—is less costly to refine, and can be more readily calcined. These advantages over the lower grade Jamaica bauxite are offset by the higher cost of mining the British Guiana deposits. Mining is open pit, and up to 200 feet of sand overburden must be removed from the bauxite deposits near Mackensie.

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The location of Demba's operations, 60 miles up the Demerara River from Georgetown, may add to the company's isolation from the stream of Guianese events. The company maintains an office in Georgetown, at Arvida House, named after Arthur Vining Davis, long time head of Alcoa. Contacts with Mackensie are by river boat, and by a company airplane which takes staff and visitors back and forth. Altd also owns Sprostons, Ltd., British Guiana's most substantial machine shop and metal working business. Yet for all its dominant position in British Guiana industry, Demba maintains only minimal relations with Guianese affairs. Typical of extractive operations by imperialist companies, Demba functions in an economic enclave, closely tied to the international market but with little relation to the internal market.

If Demba's relations with British Guiana are nominal, Reynolds has almost none at all. Reynolds' mines are at Kwakwani, over 100 miles up the Berbice River from New Amsterdam. Some 300,000 tons of ore are taken out each year, transported to New Amsterdam by river, and there reloaded to coastal ships. Reynolds has kept its British Guiana investment to a minimum, and threatens the government intermittently with complete withdrawal. The operation appears to be geared to making it and getting out, as though there were no British Guiana government, nor Guianese people with rights over their minerals. In 11 years of operations, Reynolds has paid not one cent in British Guiana income taxes.

Taxes on Bauxite Operations

British Guiana levies three different taxes that apply to bauxite operations—a royalty of 25 cents a ton on bauxite mined on crown (public) lands, an export duty of 45 cents a ton, and the regular company income tax of 45 percent of profits. The royalty and export duty do not impose much burden on the companies (only four percent of the value of the bauxite) and the income tax rate is less than rates in the United States or Canada. Demba enjoys a five-year tax holiday on its alumina plant production. Yet in spite of the relatively light tax burden, both companies (Reynolds in particular),

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fight bitterly against paying income taxes. The fact that the companies' operations extend from mining in British Guiana and elsewhere to processing in Jamaica, the United States, and Canada, and on to fabricating in still other countries, makes it possible for them to keep income taxes to a minimum.

Alcan, Altd's Canadian subsidiary, takes all of Demba's product except the calcined bauxite. Reynolds uses in the United States all of its British Guiana production. The British Guiana subsidiary of each company "sells" its output to its parent company, and subtracts from this "sales income" the costs of its British Guiana operations. The difference is profit, taxable at the rate of 45 percent. This method of determining profits is highly prejudicial to the producing country, because the price that is "paid" for the bauxite is not set on the open market, but by the parent company. This price need not permit profits by the subsidiary; the only matter of consequence to the industry owners is that the total operation make money. The lower the bauxite price, the lower the taxes to the primary producing country, and the higher the profit on the total operation. As a result, bauxite prices have been kept down with a rigidity singular even within the controlled price mechanisms of American monopoly.

From 1938 to 1959, the general U.S. price level rose nearly two and one half times. During these years, the price of bauxite produced in the United States doubled. Yet the price of bauxite imported from Surinam and British Guiana was almost the same in 1959 as it had been in 1938. But the fact that the companies were holding the price of imported bauxite at a dead level did not prevent them from raising the price of aluminum, which went up by 78 percent between 1948 and 1959.

The prices of bauxite from the Caribbean countries, except for British Guiana, did finally begin to rise a few years ago. The explanation is found in the law granting tax concessions to United States companies operating in other countries through Western Hemisphere Trading Corporations. Instead of a 52 percent corporation tax, Western Hemisphere Trading Corporations pay United States taxes of only 25 percent. In order to take advantage of the tax differential, U.S. aluminum

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companies set up their Caribbean extractive operations as Western Hemisphere Trading Corporations. By raising the price of bauxite, which the U.S. companies buy from their subsidiaries, the subsidiaries would show higher profits, taxed at 25 percent, and the U.S. companies would show lower profits, taxed at 52 percent. As a result of this increased profit possibility the prices of Caribbean bauxite began to rise for the first time in 20 years. The prices of British Guiana bauxite mined by Altd, however, remained fixed because this operation is Canadian based and hence unaffected by U.S. tax concessions.

The prices, in U.S. dollars, reported by the Bureau of Mines for Arkansas bauxite and for bauxite from Caribbean sources were as follows in 1960:

Arkansas	$12.09
Dominican Republic	12.59
Jamaica	9.48
Haiti	8.90
Surinam	7.72
British Guiana	6.85

Yet British Guiana and Surinam bauxite are the highest grade of all, and therefore should bring the highest price. In 1961, as a result of the Brokopondo agreement, the price of Surinam bauxite went up to between $11 and $12 (U.S.) a ton. If British Guiana bauxite had that year brought the same price as Surinam bauxite, British Guiana would have gained over $2 million in income taxes from Demba and Reynolds.

All primary-producing countries face the same problem in taxing imperialist companies taking out their raw materials. Some of the countries have sought to solve the problem by fixing the price at which their raw materials must be purchased. Chile, for example, fixes the price on its copper. The method of determining the bauxite price in Surinam is detailed in the Brokopondo agreement. It seems reasonable that British Guiana bauxite should be priced the same as Surinam's as they are nearly identical in grade. Certainly British Guiana needs the revenue desperately. Why then does the government not insist on the Brokopondo price?

The answer is simply that small primary-producing coun-

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tries cannot bargain on equal terms with the great imperialist companies. The companies can shift their production around among the various primary-producing countries, and cut off any country that is recalcitrant. British Guiana needs whatever tax revenue it can get from the companies, and it needs the employment given by the companies. The companies have expert accountants and lawyers; the countries have to hire experts, but they find it difficult to find accountants who know the aluminum business and who are not attached to one of the aluminum companies. The companies have been able to take advantage of British Guiana's needs and the insecurity of the government by setting so low a price on bauxite that they keep millions of dollars that should go to the Guianese.

Aluminum Development in Emerging Countries

Every primary-producing country has similarly been at the mercy of the great imperialist companies, but at last this is changing. When the Indonesians took their country from the Dutch after the Second World War, they expropriated a Dutch-owned bauxite operation. For years the Indonesian government sold its bauxite to capitalist companies to be refined in Japan and elsewhere. Last year Indonesia negotiated an agreement with the USSR for financial and technical aid to build an Indonesian aluminum complex. The time is coming when even smaller countries may, with the socialist countries' aid, refine their own ore, and keep at home the wealth now going to industrialized countries.

This wealth is considerable. Bauxite is worth (in round numbers in U.S. dollars) $10 a ton, alumina is worth $70, aluminum $500. It takes four tons of bauxite to produce one ton of aluminum. There is thus more then a ten-fold increase in value in the reduction of bauxite to aluminum. This increased value is paid out in wages and salaries, rents, purchases, interest and profits in the countries where refining is done. At present 90 percent of the increase in value of British Guiana bauxite goes to the United States and Canada. The fabrication and manufacture of aluminum products brings still higher increases in value.

Bauxite is, as far as is now known, British Guiana's most

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valuable mineral resource, and it seems reasonably clear that aluminum should be the primary basis for Guianese industrialization. Of the country's other minerals, only manganese is being mined. A ferro-manganese plant is a possibility, but in terms of present knowledge, an aluminum smelter is far more logical, particularly since British Guiana's water resources seem ample for the hydroelectric development required for aluminum production. Since power is the essential element in all types of industrialization, the power plants built for aluminum projects could have many uses in other areas of the economy.

An example of how aluminum development can aid an emerging country is the smelter being developed by Kaiser Aluminum in connection with Ghana's Volta River Project. Aluminum capacity of 100,000 tons is scheduled by 1965. Aluminum reduction will be powered by a hydroelectric operation built partly by private, partly by government financing. Half of the power will go to the Ghana government, and will make possible a qualitative change in the Ghana economy.

The Brokopondo Project, while less favorable to the development of the surrounding area than the Volta River Project, should still be of great benefit to Surinam. The Surinam government is to get 10 percent of the power generated for the project. A 60,000 ton capacity is expected in 1965, making this the largest aluminum producer in South America.

All the aluminum companies are presently in the midst of expansion programs, including for the first time substantial development in Latin America. Besides the Brokopondo Project, Alcoa is participating in a smelter now open in Mexico; Reynolds is building smelters in Venezuela and Argentina, and Kaiser has a smelter under way in Argentina. This expansion is pointed toward the increasing market for aluminum in developing countries. Aluminum's resistance to corrosion suits it for use in tropical climates. The ease with which it can be formed and fabricated benefits economies without extra capital. Its high electrical conductivity and light weight give it a market in countries embarking on electrification programs. Yet in Argentina, economically the most advanced of South American countries, per capita aluminum consumption is less than one tenth of that in the United States.

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The possibility of a privately-owned aluminum smelter in British Guiana seems to depend on Altd, considering Reynold's commitment in Venezuela. During the present upsurge in aluminum capacity, Altd has been expanding its fabricating operations, while the other aluminum companies have been expanding their smelting operations. The recent expansion of Altd alumina production in British Guiana and Jamaica plus the output of the older Canadian alumina plants, can keep the company's smelters operating at near capacity. The present aluminum expansion cycle will run its course, no doubt outstripping the market at first and then slackening off while consumption catches up. After that Altd may need additional smelting capacity.

Altd's history in British Guiana warms few hopes for local aluminum refining. A little known aspect of this history was commented on by A. P. Thorne, of the Economics Department of the University of Puerto Rico, in a review of Raymond Smith's *British Guiana*. While serving as an economist in British Guiana after the Second World War, Thorne came across references to a 1919 report from American hydraulic engineers to the British Guiana government. The report recommended that water-flow gauges be installed to measure hydroelectric potentialities near the bauxite areas. Since nothing had come of the recommendation, Thorne suggested that a similar project be instituted. The suggestion was accepted and the job of water-flow measurement turned over (against his judgment) to Demba.

Demba put off beginning the measurements for seven years, then conducted tests for seven years and concluded that hydroelectric production was not feasible. Since then, the world development of the aluminum industry has led to a reconsideration of Demba's hasty conclusion, and the company is again engaged in water-flow measurements.

A Socialist Aluminum Industry

It appears doubtful that British Guiana will see an aluminum smelter for many years, if at all, unless it builds its own. Yet aluminum processing seems fundamental to the coun-

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try's economic development, and a socially-owned smelter is critical to the country's development toward socialism.

Present government economic development plans envisage a number of small manufacturing plants producing primarily for the local market. The socialist countries have been asked for technical aid and loans to establish these industries. The plants should give employment, reduce prices on some goods now imported, and as time goes on provide surplus capital for further development. But they will not make much of a dent in capitalist dominance of the economy, or in economic development.

It is likely, capital being as scarce and world power as delicately balanced as it is now, that the Demba and Booker operations will continue for some time in the control of foreign capitalists. These operations are the base of the Guianese economy. A national aluminum industry could, even if the private companies continued their concessions, break through the imperialist control of the Guianese economy.

The possibility of a national aluminum industry means that, until its own plans are clear, the government should make no further agreement with foreign capitalists that would tie up the country's bauxite reserves. A small country drifts easily into these commitments; they mean some badly needed revenue and a little employment, also badly needed. Reynolds, to secure a long term lease of bauxite areas, might even settle with the government on back income taxes. But such an agreement could bar the way to a project decisive to the country's development.

To clarify its plans, the British Guiana government should press negotiations with the socialist countries for establishment of an aluminum project. Cuba has bauxite properties, expropriated from Reynolds, and might be agreeable to a joint project. Hungary has the necessary knowledge and skills, and Russia is now setting up a total aluminum complex for Indonesia. The socialist world is far behind the capitalist world in aluminum production, and British Guiana is able to help fill that gap. There is no reason why this happy circumstance should not benefit the Guianese society as a whole, instead of a foreign oligopoly.

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Chapter 12

Land Reform and Family Farm Agriculture

British Guiana's agricultural program has many facets. Among its features are an agricultural extension service, education in agriculture, a necessarily minimal but growing farm credit program, aids to cooperatives, marketing facilities and agencies, and land reform. Land reform is accomplished generally through division of large estates and through making new land available. The British Guiana program provides land in more nearly adequate economic units than most of the Latin American and Caribbean land programs, and provides more in social services and in aids to cooperative effort in land settlement areas.

Land Settlement Projects

The rural Guianese who want and need land include those farming too little land to give them a living, tenant farmers, and agricultural workers, one man often filling all three roles. Most rice farms are from three to seven acres in size, although the World Bank report of 1953 and later government studies show that 15 acres of rice land is the minimum for a decent living. At the time of the World Bank report, 50 percent of rice land was farmed by tenants, and it is doubtful that the percentage is much less today. Besides the families now farming land that cannot give them a decent living, there are thousands of unemployed and underemployed who want land and could farm it productively.

British Guiana is fortunate in having productive, idle land; more than half of the million acres along the coast and lower river banks is unused. The government buys selected areas (often abandoned sugar plantations) and allots the land among applicants. Some areas are given out to individual farmers,

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some are given to cooperatives, and some of the larger areas are developed as land settlement projects.

The size of alloted plots varies with the project and the crops to be cultivated. Of 100,000 or more acres thus far given out, well over half is in rice. At the most recent land settlement project of Black Bush Polder, 15 acres is given each farmer for rice and 2½ acres for garden crops. At one project, land for citrus fruits and vegetables is given in 7½-acre plots, and for dairy cattle in 25-acre plots. While the land settlement areas are built around major crops, the government encourages diversified agriculture within them, both by giving additional land for vegetable and fruit production and by providing various aids and incentives.

Diversification is particularly important for rice farming. Even if two rice crops are harvested a year, rice does not require full working time. Thirty-eight days will seed and harvest a crop, one specialist estimated, though no doubt field and irrigation maintenance would have to be added to his figure. By alternating other crops, vegetables in particular, the underemployment that is characteristic of rice farming can be cut down and a better living gained.

Land settlement projects require large capital outlays by the government. Sea walls and drainage canals and gates are necessary because much of the land is below high tide crests. Rainfall is inadequate during several months of the year, and therefore storage reservoirs and irrigation systems must be installed. Roads, schools, pure water supplies, and other community facilities add to the costs. Outlays on land settlement projects amounted to around $23 million through 1961, of which $5.5 million was provided from British Colonial Development funds and $3.25 million from local funds. An additional $2.1 million worth of sea defense work was done with Colonial Development funds and $1.2 million worth of such work was done with local funds. The remaining costs were met from borrowed funds, at six percent interest.

Land reform has given farms to more than 10,000 families, out of perhaps four times as many who want land and could put it to productive use. Of these others, many are farmers with too little land, most of whom need additional land near their

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present holdings. Consolidation of existing holdings into adequate units depends in part on raising farm incomes and establishing low interest farm credit, and in part on an economic alternative for farmers on inadequate farms. The programs directed to these purposes serve all farmers, those in new projects and those on existing farms.

More Productive Use of Land

The government's agricultural program aims at higher yields of present crops, and at the production of new crops of produce now imported at high prices. In 1961, nearly $15 million in vegetables, fruit, meat, and milk was imported. The high prices on these products keep their use beyond the means of most Guianese. At Christmastime in recent years, for example, imported tomatoes have sold in Georgetown markets for 90 cents a pound. Tomatoes can be grown in British Guiana, but because of soil conditions, production of high grade tomatoes has only lately been made possible through government study and experiment.

A central agricultural experiment station is maintained outside of Georgetown, and district stations in various rural areas. These stations run demonstration farms, help farmers with pest and disease control, and carry on extension and educational programs. The limited staff does not permit much educational work with individuals. Community discussions and demonstrations are held, and schools for young people from farm families are organized. Twelve-week schools were conducted in various centers in 1961, at a cost of about $10 per student.

Seeds and fertilizer are sold to farmers, who are instructed in using them. Coconut and citrus seedlings are sold at subsidized prices, and ground cover grasses distributed to keep down noxious growth among the palm and citrus trees. The Mon Repos station outside Georgetown plans to produce and sell vegetables in Georgetown in order to test production and marketing costs and returns, and in order to earn money for use in further experimental work.

To help stimulate production of especially needed crops,

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bonuses are paid for their production, and prices are guaranteed on others. Storage and marketing facilities are built as necessary for these crops, and marketing agreements sought in other countries. The government's success in negotiating foreign markets for cabbages and pumpkins, for example, has substantially increased production of these crops, resulting in lower prices for Guianese consumers and higher incomes for Guianese farmers.

Citrus fruits and pineapples can be grown inexpensively in British Guiana, but their profitable production depends on a broader market. This can be provided both through sales of fresh fruit in other countries and through canning to enlarge the Guianese market. The government was able to negotiate an agreement with East Germany to finance and build a canning factory, but the British have prevented the factory's establishment. Until such a plant is running, Guiana's oranges will go on selling for almost nothing, or rotting, during the short time after the crop is ripe. During the rest of the year, the Guianese who can afford to do so will go on buying orange juice canned in other countries.

To aid livestock growers, Santa Gertrudis and Zebu bulls were brought in to upgrade the beef cattle, and Holstein bulls to improve the dairy herds. Artificial insemination is now provided for this purpose by the extension service. New grasses have been developed for the inland Rupununi area, and extensive work has been undertaken in disease control. Available meat supplies have increased mainly through development of a chicken industry.

Another kind of government aid to agriculture in which Cuba has moved dramatically ahead, and which Guiana is hoping to begin, is the opening of industries to use native agricultural products. Use of residue cane fiber and rice straw in making paper and packaging material is an example. Setting up such manufacturing plants probably depends on socialist aid.

The government credit agency provides crop production loans, and the Rice Marketing Board makes loans to rice farmers for crop production and machinery. Credit is severely limited by the shortage of loan capital, but is being expanded as rapidly as possible. Government credit is particularly im-

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portant in underdeveloped lands since it helps keep the small farmer out of the hands of moneylenders.

Rice Marketing

Rice is British Guiana's third product, accounting for ten percent of the value of all goods produced in 1961, and 15 percent of exports. All rice is marketed through the Rice Marketing Board, a semi-governmental agency responsible for production and for milling standards to keep up the quality, as well as for marketing. In the year ending September 30, 1962, the Rice Marketing Board exported 90,000 long tons of rice, and sold 21,000 tons locally. Rice farmers kept 11,000 tons for their own use, and 14,000 tons for animal feed and planting. The year's total production, 136,000 tons, was nearly double the production of ten years before.

British Guiana sells both the usual white rice and a parboiled rice which retains the vitamin B lost in polishing white rice. The West Indies have traditionally been the market for British Guiana rice, and prices are set in intense bargaining with the islands. Dealings with the West Indies have in recent years been strengthened by the opening of new markets for British Guiana rice.

Cuba began buying British Guiana rice in 1961, and the next year became Guiana's best customer. Of rice year exports through September, 1962, 28,000 tons of rice were sold to Cuba, 22,600 to Trinidad, 12,700 to Jamaica, 7,500 to Barbados, 3,000 to Czechoslovakia, and 17,000 to the smaller West Indian islands and other places. In 1963 a Russian trade mission agreed to buy large quantities of rice, and the market outlook is now the best it has ever been. Prices paid for highest grade rice in 1961 were $21.30 per 180-pound bag in the West Indies, and $24 per bag in Cuba. The following year arduous negotiations at last brought a price increase in rice sold to Trinidad.

The rising living standards in Cuba, combined with the near blockade against Cuba imposed on other Latin American countries by the United States, make Cuba an excellent market for British Guiana produce. The Guianese economy depends to a marked extent on a growing market for the mounting

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rice supply. The United States is a rice exporter, Britain has other commitments, the West Indies market is very limited, and Western Europe protects the Italian and French rice farmers through EEC tariffs. Increased trade with the socialist countries is the obvious solution to many of Guiana's trading needs.

Rural People and Social Change

The land settlement projects, together with the general agricultural programs aimed at giving farmers a better life, have been the center of the British Guiana government's economic accomplishment. They have therefore been the focus of attacks on the government, as well as of praise for its accomplishments.

Opponents on the Right have not dared criticize the program itself, but have concentrated their attacks on its administration. The criticisms are that land is distributed for party loyalty, that the land should be given in freehold rather than under long-term lease, and typically, that the program aids only Indians.

Elements of the Left question whether strengthening peasant farm production is either economically efficient or socially progressive. These critics begin with the premise that the government should move more rapidly toward socialism, and go on to argue that the Black Bush Polder project should have been established as a communal farm, or some kind of socialist cooperative. They point out that the PPP governments have simply carried along the agricultural programs started by the British Governor after he took over from the PPP in 1953. The major land settlement project at Mahaicony-Abary was under way before the PPP came back in 1957, and other projects had been outlined. The general character of the PPP government program after 1960 was determined in the Berrill report which the British approved in 1959 and later helped finance.

The economic question raised by the Left differs from Newman's criticism of the Berrill plan for concentrating on agriculture (see Chapter 9) and simply concerns the nature of the farm productive units. In the abstract, 15 acres is not the optimum economic size for rice farms. Lauchlin Currie, an

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economic adviser to the Colombian government, reports studies which conclude that for Colombia, rice farms of at least 50 acres are needed for efficient use of mechanized farming methods. The size of the British Guiana land settlement units was determined by practical considerations of finance and custom, but planning for the future can be directed toward a more efficient size of unit. This need not mean larger individual holdings; the economic objective can as well be accomplished through cooperative and communal forms.

Left-wing political critics of the government's development program make the point that it should aim at strengthening the working class instead of, in the words of one analyst, "creating a class of kulaks." But here, practical difficulties arise. The government programs have to be based on political reality, and therefore must give tangible results to people on whose support the government relies. However, government programs have increasingly pushed agricultural cooperative development, which suggests they are aiming in the direction indicated by the Left.

The government Cooperative Development Office organizes new cooperatives and looks after the needs of the country's existing cooperative societies. (There were 568 such societies in existence at the end of 1961.) Both consumers and producers cooperatives have been organized among farmers, and cooperative rice mills and machinery pools have been set up. Land settlement projects have also turned recently to cooperative forms. A project now under way at Skelton involves cooperative land planning and use, with only the farmers' homesteads held individually.

Whether it is necessarily valid that in a country like British Guiana political emphasis should be placed on an industrial working class rather than on workers in rural areas and on peasants is a matter that should be examined in another context. One thing at least should be said, however, regarding the place of peasants and agricultural workers in world affairs: they were the backbone of the Mexican Revolution of 1911, and they furnished the power that won socialism in China and Cuba.

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The working class of European countries is no longer looked to, outside of Europe, to lead in social change, and the world expects little or nothing of the American working class. Throughout Latin America and the Caribbean events take place against the background provided by the rural poor, and in British Guiana the hope for socialism is in their hands.

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Chapter 13

How Colonies Pay and Who is Paid

United States aid to British Guiana amounted to $3.5 million (U.S.) through June of 1962. The aid which Jagan had been requesting since 1957, and which President Kennedy finally turned down in mid-1963, was for projects useful to economic development. Only two such projects were ever approved: test dredging a channel through the Berbice River bar, and surveying a roadway to Mackensie, both carried out through the Agency for International Development.

British Guiana lacks a deep water harbor. Where the rivers flow into the ocean they build up bars which large ships cannot cross. Among the interests adversely affected are the aluminum companies. Reynolds reloads at Everton, just above New Amsterdam, bauxite shipped down the Berbice River from Kwakwani. Demba ships bauxite from Mackensie to Trinidad and there reloads to larger ships. The entrance from the ocean to the Berbice River has a minimum low water depth of only 6 feet, and a high water clearance of 15 feet 6 inches. The Demerara River has an entrance depth of 9 or 10 feet at low water and 19 feet at high water.

Channels are needed to permit entrance of ships as large as the harbors can accommodate. Georgetown harbor has a clearance of 16 to 20 feet, and New Amsterdam harbor of 10 to 15 feet. The A.I.D. project will determine the feasibility of a channel through the Berbice River bar. The project was estimated to cost $1 million (U.S.), and was completed in 1963. A 200 foot wide channel, inadequate for shipping, was dredged, and studies are now going on to see whether an adequate channel is feasible.

The survey for a road to Mackensie cost over $200,000 (U.S.) and was completed in 1963. Demba has offered to pay half the cost of building the road itself, but the government has not found a source for the rest of the needed money, which

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will come to several million dollars. Both of the A.I.D. projects are of particular help to the aluminum companies, but can also be valuable to the whole country.

American aid has, for the most part, consisted of sending specialists to work with British Guiana agencies and to train Guianese in technical fields. United States health officers worked with the local public health service in a study of filariasis, for example, and agricultural specialists work regularly with the British Guiana Department of Agriculture. If the American purpose is to do good and win friends, most of these specialists are serving the purpose creditably.

If the American purpose is to propagandize against communism, only one or two of the specialists and the United States Information Service Officer seem to have their hearts in the job. The activity of these few does, however, create difficulties for specialists trying to do a good job in their fields.

A.I.D. and the Cold War

The top A.I.D. officials in British Guiana naturally share the State Department's Cold War line toward the PPP and the government. PPP leaders are, for their part, worried about what the A.I.D. may be up to besides its open activities. As a result there is little communication, and no rapport, between A.I.D. and British Guiana government officials. In the summer of 1963, A.I.D. was authorized to distribute for the Food for Peace program $126,000 (U.S.) worth of food in British Guiana. The A.I.D. officials chose to make the distribution through the Seventh Day Adventist Mission, and announced the plan through the press before clearing with the British Guiana government. The food thus appeared as a Cold War gambit rather than as an answer to human need.

The policy that American aid should serve the Cold War first and people incidentally naturally defeats its own ends. So long as American aid is granted for Cold War advantage, it will be viewed everywhere with suspicion and accepted with no little cynicism. No doubt this suspicion explains the lack of response on the part of the British Guiana government to a Peace Corps representative. The poor fellow hung around George-

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town for some time, but British Guiana was suffering from intense political subversion by American labor agents, and any American was looked at with well-justified distrust. Hence, no Peace Corps project was initiated in British Guiana.

People in British Guiana, and generally around the Caribbean, are pretty sophisticated about American aid programs. The amount of money given to prop up the regimes of dictators is frequently compared to the amounts given to Caribbean countries. The more than $2 billion (U.S.) given to Chiang Kai-shek, the $1.3 billion to Franco's Spain, the $65 million to Somoza's Nicaragua, and the $58 million to Stroessner's Paraguay loom large in comparison with the $8.8 million given to Jamaica and the $3.5 million allotted to British Guiana. (These figures are through June of 1962.)

Strange to say, no American aid at all had been given to Trinidad. Dismiss if you will the British Guiana government as being unacceptable to the American right wing; but the Trinidad Prime Minister is not even a Fabian Socialist. He is a brilliant intellectual, honest, a Negro, and a non-socialist. Besides, American oil interests have invested heavily in his country. What more could America ask? "Not a single country in Latin America," the Prime Minister, Eric Williams, said in a talk at the University of the West Indies, "satisfies the criteria of the Alliance for Progress as Trinidad and Tobago satisfy them. . . ." Perhaps Dr. Williams is coming to the conclusion that the criteria for Alliance for Progress money are not what they are purported to be. Hence, he has been pressing for a Caribbean organization that would give the Caribbean countries political influence.

Do Colonies Pay?

Not only American A.I.D. but also British Colonial Development funds have been meager for Caribbean countries. Sir Jock Campbell, in his 1961 report to Booker's stockholders, discusses critically the British aid program:

> The British government should do far more than they are doing at present—especially for the new nations who show that they are ready to make sacrifices to help themselves. And before

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anybody tells me that this country can't afford it, let them look at the figures in perspective. Direct aid from the British government to Commonwealth countries during 1961, including Exchequer loans, totalled about £140 million. In the same year the deficit in British Railways was more than this; and British agricultural subsidies were about two and a half times as much.

Moreover, for all those countries whose economies depend upon the export of primary-production, the aid they receive can be virtually set at nought—to the benefit of the donor country—by falls in commodity prices. Taking British Guiana alone, total aid, including Exchequer loans, is running at the rate of about £3 million a year. Yet in 1961 the British Exchequer collected over £8 million in duty on rum from British Guiana! This, incidentally, is in sharp distinction to the case of Puerto Rico where, despite sugar purchasing arrangements more favorable than the Commonwealth Sugar Agreement, the whole of the United States excise duty on Puerto Rican rum is returned to the Puerto Rican government.

"Do colonies pay?" The question Sir Jock is touching on has intrigued economists for some time. Ragnar Nurkse, then of the faculty of Columbia University, and an expert in the economics of underdeveloped countries, advised that:

> The answer of experts has usually been in the negative. Recent colonial history seems, on the whole, to support this view. For example, M. M. Knight, the American economic historian, who has worked with this question in North Africa, finds that in Algeria the local government's budget deficits were covered directly by the French Treasury and that "the framework of a system of railways, roads and ports was laid down . . . as an outright gift from the French taxpayer." The tendency for the metropolitan country to subsidize its colonies appeared in the 1920's even in Portugal. While in earlier centuries there is no doubt about the fact of colonial exploitation, in recent times we find that colonies probably do not pay. But why should they pay? A transfer of current resources from the relatively wealthy metropolitan countries to their dependent territories is a natural application of principles long accepted and practiced within any civilized country. The grants which Puerto Rico receives from the United States Treasury are an instance of such a relationship established on a steady and regular basis.

The return of duties on Puerto Rican rum mentioned by Sir Jock is one example of the Puerto Rico-United States "relationship established on a steady and regular basis" that

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Nurkse applauds so warmly. Another example is the $113 million (U.S.) naval base the United States maintains in Puerto Rico, built during the Second World War as a possible refuge for the Royal Navy and Royal Family, and now on the way to being the world's most formidable weapons training complex.

There are a few economists, at least, who say that the question Nurkse dismisses so cheerfully must, to be meaningful, be restated as "Who is it that colonies pay?" Booker's stockholders, for example, make several million dollars profit from British Guiana each year regardless of what British Guiana costs the British government.

The "outright gift from the French taxpayer" that Nurkse refers to was not made in the first instance to Algeria, but to the French capitalists with investments there. A far more costly "gift" from French taxpayers to Algeria was just beginning as Nurkse was speaking (1951)—more than ten years of war in which one million Algerians died. If colonies were not profitable, would the French have paid such a frightful price simply to hold their Algerian colony? Facts are well enough known today about Portugal's relations with her African colonies to make ridiculous the description of those relations as the "natural application of principles long accepted and practiced within any civilized country." In fact, most "recent colonial history" suggests that confusion about the nature of imperialism led Nurkse to misinterpret the facts about colonies. Let us draw out the British Guiana experience a little more as it relates to how and whom colonies pay.

There are three imperialist countries primarily involved in the British Guiana economy—Britain, Canada, and the United States. U.S. activities in British Guiana are, like its activities in Puerto Rico, directed to the defense of the imperialist system as a whole, and not to the particular country and the returns of United States capitalists from it. That the imperialist system pays United States capitalists is seldom questioned. As far back as 1956, the *Survey of Current Business* reported profits of United States businesses from foreign holdings to be $11 billion (U.S.) a year. A Chicago First National Bank release for March, 1964, reports $14.8 billion in 1962

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dividends remitted from the foreign investments of U.S. corporations.

Businessmen, including Sir Jock Campbell as well as the aluminum magnates, are fond of saying that they put more money back into countries through investment than they take out in profits. But they fail to underline the fact that the investments through which money is put back into a country belong to the companies just as much as the profits taken out belong to them. In the second place, the claim generally is not true. The standard American business policy is to reinvest no more than half of the profits taken from foreign enterprise.

In the light of the imperialist world view on which American policy is based, it does not matter much whether Reynolds, Great Lakes Carbon, and Altd's United States stockholders draw more from British Guiana than the United States puts in. It does make some difference to the colonies, however, and the relative amounts have some bearing on the question of whether colonies pay, and if so, whom they pay. Altd made profits of over $30 million (Canadian) in 1961, and Reynolds of $33 million (U.S.). Altd's British Guiana subsidiary, Demba, reports annual profits of between $2 million and $4 million, as nearly as can be estimated from government figures. There is no way to judge readily what part of total Altd and Reynolds profits is due to British Guiana bauxite, but over the years more than three fourths of Altd bauxite has come from British Guiana. No matter how estimated, however, corporation profits from British Guiana, and taxes to the U.S. on these profits, must have exceeded many times over the $3.5 million (U.S.) in United States aid to British Guiana.

Canadian relations with British Guiana are also simply told. Over one fourth of profits distributed by Altd go to Canadian stockholders. The corporation reported profits of $30 million in 1961, and paid Canadian income taxes of $12.4 million. It is not necessary to attempt to estimate what part of Altd profits comes from British Guiana because the Canadian government contribution to British Guiana is so little. Canada budgets some $65,000 annually for British Guiana aid, but even this amount has not been spent. This may be because the British Guiana government has not submitted applications for approvable pro-

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jects, but at any rate it is certain that wealth has traveled a one-way road between British Guiana and Canada.

In England's case, the question is somewhat more involved, and as Sir Jock suggests, certainly more controversial. Winston Churchill, writing not ten years ago, stated the general British case:

> Look where you will, you will find that the British have ended wars, put a stop to savage customs, opened churches, schools and hospitals, built railways, roads and harbors, and developed the natural resources of the countries so as to mitigate the almost universal, desperate poverty. They have given freely in money and materials and in the services of a devoted band of Civil Servants; yet no tax is imposed upon any of the colonial peoples that is not spent by their own governments for their own good.*

In an earlier statement, made while serving as Chancellor of the Exchequer in 1929, Mr. Churchill had presented the other side of the coin:

> The income which we derive from commissions and services rendered to foreign countries is over £65 million. In addition we have a steady revenue from foreign investments of close on £300 million a year. This is the explanation of the source from which we are able to defray social services at a level incomparably higher than that of any European country, or any country. (Quoted by Cheddi Jagan in *Forbidden Freedom.*)

Lenin, in *Imperialism,* published a decade before, had made and elaborated the same point—that profits from investment in colonial and semi-colonial countries provide the funds for an imperialist country's welfare programs and its higher wages for a working class elite.

Even today, in the last hours of colonialism, the British government takes in more from taxes on British Guiana operations than the total of Colonial Development and Welfare grants made to British Guiana. British government grants to British Guiana have been running between $4 and $5 million a year. Booker's income taxes, both United Kingdom and overseas, have been just under $6 million a year over the same

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* From Mr. Churchill's Foreword to the Corona Library of books about the British Colonies, including *British Guiana, The Land of Six Peoples,* by Michael Swan.

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period. To the United Kingdom taxes on the two thirds of Booker's profits which the company attributes to its British Guiana operations must be added the taxes of the Demerara and other companies and a share of the personal income taxes of numerous individuals. In addition to the British government revenues, Booker's and the other firms keep between $4 and $5 million in profits made from British Guiana each year.

There is, in summary, no doubt that British Guiana has been and is a source of revenue for the British, Canadian, and United States governments and that this revenue considerably outweighs the amount of aid they give Guiana. And if the profits made from Guiana operations by the imperialist companies are added to these revenues it becomes evident that colonies did and do pay, and pay heavily.

Capitalism and Slavery

It is not only possible to trace the riches of imperialist companies and countries to their roots in colonial and semi-colonial countries. England's industrialization itself can be traced to riches taken from the colonies, and particularly from sugar and slavery in the West Indies. "By 1750," Eric Williams writes in *Capitalism and Slavery,* "there was hardly a trading or manufacturing town in England which was not connected in some way with the triangular trade. [England to Africa with guns, cloth, and trinkets; Africa to the West Indies with slaves; the West Indies to England with coffee, cotton, coconuts, wine, rum, and sugar.] The profits provided one of the main streams of accumulation of capital which financed the Industrial Revolution."

Eric Williams' book goes on to document the thesis that the Industrial Revolution was in a large measure founded on profits from West Indian sugar and slavery. The stories with which he illustrates his thesis are fascinating aspects of the little-known debt that capitalism owes to slavery, and that English rich owe to West Indian poor.

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Chapter 14

Massa Day Done

"Massa day done," the watchword of the slaves in their struggle for freedom, became, after slavery ended, a folk slogan of the Caribbean. Now, however, people add a question about the new day that will replace the old. "Massa day done," they say, "but it for who?" Who will the new day be for? This is the question at issue all over the world, and people around the Caribbean anxiously watch Guianese events, knowing that this question is being decided there.

Who the present day is for is clear enough in Jamaica, Trinidad, Surinam, and the smaller West Indian islands. The wealth of all these countries is foreign-owned to an extent hardly equaled anywhere in the world—by Royal Dutch Shell and Texaco in Trinidad, by Alcoa in Surinam, by the American aluminum companies, the United Fruit Company, and Tate and Lyle in Jamaica, where 38 percent of the land itself is foreign owned.

The consequences of imperialist ownership to the countries' resources and people are summarized in Josue de Castro's *Geography of Hunger*:

> Four centuries after their discovery, these promised lands lie plundered and despoiled: a large part of their soil is exhausted, much of their forest is destroyed, and their people are underfed and debilitated. . . . The story of this area is the most vivid example in economic history of how a group of human beings, moved by greed for immediate profits, can destroy the natural wealth of a highly endowed region and reduce its people to misery and starvation.

Although in the West Indies and Surinam, today belongs to the imperialist companies first of all, something is left over for the middle classes. Ruth Glass of the University of London, in a recent article in MONTHLY REVIEW about the polarized

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Jamaican society, described the contrast between middle class and slum life thus:

> Brand new gleaming roads and houses, furniture, refrigerators, large cars—that is the picture of Mona Heights and of similar suburbs to which a minority have retreated. In and around Kingston Pen, where the masses exist in a state of appalling unrelieved neglect, the sights, the smells, the sounds, even the forces of heat and rain, are those of a different world. Here there are flimsy miserable huts, thrown together, made of refuse—paper, cardboard, packing cases, bits of sticks, and parts of discarded motor car bodies. Here there are open drains, no latrines, no sewage disposal. There is a constant water famine, barely one standpipe for hundreds of people; it is a maze of sodden dirt tracks through a jungle of habitations, unfit for living creatures of any kind.

Estimates place the number of Jamaican unemployed at well over 100,000, and at 50,000 in Trinidad and Tobago. The slums in Port of Spain are almost as shocking as Kingston's. Sugar is abandoning the smaller West Indian islands, promising their economic ruin when the world price falls and the companies close down completely. The islands' middle class speculates in land for tropical paradises for rich Americans. These are coming to the West Indies in increasing numbers, bringing money with them, and Cold War politics, racial prejudice, ignorance, and arrogance. Casinos are rising in the major cities, which seek to share with Puerto Rico the returns from the gambling and vice that Castro exiled from Havana. The segregation of the middle-class life from the life of the poor is nowhere more starkly evident than in the West Indies.

The middle-class role in the islands has its roots in history. The West Indian bourgeoisie grew up as agents for exporters and importers—i.e., as representatives of imperialist interests. "For generations," Eric Williams protested to a meeting in Woodward Square, "Trinidad has been a society of commission agents. Under the colonial pattern of economic development, they took the money made in Trinidad and Tobago and invested it abroad."

For the most part the West Indian middle class is not composed of members of the bourgeoisie—commission agents, merchants, and money lenders—but of British-trained professionals and civil servants. Medicine, law, and the lower ranks of

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the civil service were by 1900 the economic base of the native middle class. With the independence movements, all civil service levels were opened to non-British natives, and the numbers of civil servants and professionals increased considerably. In Montserrat there is a government minister for each unit of 3,000 people, and the situation in the other islands is much the same.

Thus, the Caribbean middle class, made up of representatives of imperialist companies and of British-trained professionals and civil servants, was long opposed to independence. The West Indies independence movements began in earnest in the labor struggles of the 1930's, when "the colored middle class, some of them working as clerks and salesmen for $20 a month, rushed to volunteer for service against the black strikers."*

All Caribbean countries now have substantial union memberships among the urban working class and the mine and oil workers, and some strength among sugar workers. Most unions now have strong civil service sections also. In some countries labor organized around wage and hour issues. In other countries, notably Jamaica, unions were organized by politicians as vehicles for personal political advantage.

The Jamaican independence movement was based in labor unions organized by Jamaica's two leading politicians, N. W. Manley (head of the People's National Party and National Workers' Union), and Sir Alexander Bustamante (head of the Jamaican Labor Party and Bustamante Industrial Trade Union). Manley's PNP from its origin was socialist, with Stafford Cripps attending the party's founding convention. In a policy statement issued in 1941, the party explained the need for a socialist Jamaica, and concluded: "The socialist knows that there is enough of riches of the earth for all mankind, if we were to plan how to use them for the benefit of all. Socialism is the only system that will do this, and it is the only hope for the future."

In 1960, after six years in office, Manley told a Canadian cultural mission that the PNP was still socialist, and went on to explain the kind of socialism it stood for: "The [PNP] govern-

* Quoted from Eric Williams' *The Negro in the Caribbean,* page 62.

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ment of Jamaica, though socialist, could not adopt all the formal concepts of socialism. . . . For example . . . the government has no policy of nationalization, long regarded as essential to socialism."

The following year Manley was replaced by the man who had preceeded him in office, and who had in the 1962 elections made more radical promises than Manley had. Sir Alexander Bustamante, money lender turned politician, Prime Minister of Jamaica, performed the rituals that gave Jamaica independence in August of 1962. After the PNP's and JLP's alternating years in office, Jamaica was more securely than ever in the grip of foreign monopolists, and the plight of the Jamaican masses worsened every year.

In general, West Indies politicians, once in office through working class support, identify with middle class subservience to Britain and the United States. Strengthening this political alliance of middle class and labor leaders has increasingly become the United States design for Caribbean governments. This design is basic to United States tactics aimed at overturning the British Guiana government and at bringing pressure on the government of Trinidad and Tobago.

The Trinidad independence movement had its base in the urban working class and the oil workers. Its leader, Eric Williams, began the organization of the movement through lectures on economics and politics at the Port of Spain public library. The response was immediate and far reaching, and swept on by the movement he had started, Williams moved the lectures to the "University of Woodford Square," a public square in Port of Spain. Thousands of people regularly jammed the square to applaud Williams' speeches and build up the independence pressure. Trinidad and Tobago became independent a few weeks after Jamaica did. Williams formed the country's independent government and, like the Jamaican leaders, set out on a program to attract private capital and foreign development funds.

Williams is the spokesman of the enlightened segment of the West Indies middle class, and the intellectual leader of a kind of Caribbean nationalism. His economic program took the approach common to developing countries in the capitalist

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world—an approach aimed at strengthening both public and private sectors. The sad result of his applications for foreign governmental aid has been noted heretofore, and although private investment has come in, Trinidad's poor have little to show for either the country's oil income or the private investment.

The Role of Higher Education

When Trinidad and Jamaica became independent, Britain turned over administration of the University of the West Indies in Kingston, Jamaica, to the West Indies countries, and Williams was named Chancellor, succeeding Her Majesty the Queen in this post.

The University of the West Indies had been set up in 1948 to give a West Indian base for the higher education of students graduating from secondary schools. These secondary school graduates were described in a 1962 report for the University of Chicago as "literate students schooled in the use of leisure." The UWI atmosphere and curriculum completed their education along the same lines. Visitors remark that students still stroll the tropical college grounds in red robes, as do English students in the English college after which the UWI was modeled. The ivory tower environment is directed toward the formation of a native elite whose class attitudes are impregnable. The fact that only a small number of students can be favored by such a costly education contributes to the status value, and lessens the social use, of a university degree.

The UWI is largely supported by the Caribbean countries, British Guiana's share having been set at $200,000 a year. Over the years from 1948 through 1963, British Guiana sent $1.8 million to the UWI, and a total of 97 Guianese students were graduated. Of these 97 graduates, 41 returned to use in British Guiana the skills they had acquired. Comparing the needs of the country with the cost of the UWI and its results, the British Guiana government decided in 1963 to withdraw its financial support for the UWI as fast as British Guiana students then enrolled were graduated. The money would be spent instead on a University of Guyana. Such a university could educate many more young Guianese, and could also direct their education toward serving the needs of their country.

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The University of Guyana decision came just at the time when the British Guiana government was negotiating with the socialist countries for help in establishing Guianese industries. Skilled Guianese technicians, administrators, economists, and engineers would be needed soon. The university was also intended to give a hand to teacher training, so the secondary schools in particular would begin to fit into the country's needs. Leaders in education rallied around to help, and the university opened in the fall of 1963.

Lancelot Hogben, famous British scientist and author of such popular classics as *Mathematics for the Millions* and *Science for the Citizen,* accepted the executive directorship of the university. Three professors from the United States, and seven others from England, Ghana, and British Guiana make up the first year's faculty. First year courses include English, Spanish, History, Mathematics, Chemistry, Physics, Biology, Sociology, Political Economy, and Business Administration. Only 150 students could be enrolled the first year, although within two months after the opening announcement, 650 applications had been received from qualified students.

The different educational programs of the University of the West Indies and of the University of Guyana point up the character of the societies that each is intended to serve. The universities pose once more the same old question, "But it for who?"—for favored individuals or for a society which includes everyone.

In the United States, where seven million families reported 1962 incomes of over $10,000 (U.S.) 40 million people (one out of five) live in poverty. In the West Indies, four out of five live in poverty. In 1961, only 11,000 Guianese, out of well over 200,000 wage and salary earners and professionals and businessmen, paid income taxes. Perhaps twice as many should have paid income taxes, but at best no more than one out of every five Guianese families was fortunate enough to have an annual income in excess of $1,000.

It is argued that capitalism could, although it does not, support some in luxury and the rest in comfort in the United States and Western Europe. A capitalist West Indies, however, would not be able to afford to do this until after many years.

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The West Indian economies have been retarded by years of imperialist exploitation, and too large a share of what wealth they do produce is still taken away. Little is left for either consumer goods or capital formation. Without a planned program for socialism, the great majority of Caribbean people will continue to live in poverty.

Years of capital formation are necessarily years of austerity, even though richer countries help with some needed capital. The years of intense capital formation in England, for example, were years of brutal exploitation, not only of the colonial people, but of the English working class as well. The question in developing countries today is whether during these years of development a few will live in luxury and the many in misery, or whether all will share the sacrifices and the gains of development. If the latter case is preferable, another question is posed. What kind of government and social order will make such sharing possible?

To suggest that the government of a native middle class that serves foreign capitalism will mobilize social effort for economic progress sounds like what it is—a contradiction in terms. The imperialist system in the West Indies, which keeps so many in poverty, will not be changed by the few to whom it gives comparative luxury. The level of development that the West Indies must have demands social effort through a basic democracy, not the middle class trusteeship of foreign holdings that is the basis of present West Indian political democracy.

The choice is simply between socialism and capitalism, between going on with the old, imperialist masters' day, with a somewhat larger and better paid middle class, or opening a new day for everyone. The Guianese people have determined to move ahead to the new day, and in spite of British obstruction and United States intervention, Massa's day is done in Guyana, and a new day for all the people is surely dawning there.

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Postscript

Since this manuscript was completed, events in British Guiana have deteriorated increasingly into violence. The sugar companies recruited scabs (mainly Negro) to try and break the sugar workers' strike (mainly Indian). Racial violence spread from Georgetown through coastal villages, and at the end of May exploded in a wild day and night of murder, rape, and burning and looting of Indians' homes in Wismar, across the Demerara River from Mackensie. Sixteen hundred homeless people were brought by boat to Georgetown.

Janet Jagan resigned as Minister of Home Affairs, charging that the British Police Commissioner had rejected, until it was too late, her appeals that troops be sent to Wismar, where police stood by and watched the brutal acts. Giving evidence for her charges, Mrs. Jagan stated: "The police have known since last year that a gang of ten PNC activists had been organized as saboteurs at Mackensie/Wismar and trained at Congress Place in the use of explosives and in fighting."

The spread of violence, the training of commando squads, and the infiltration of police forces are standard preliminaries for rightist coups against popular governments, and are reported techniques of CIA operations. The pattern of increasing violence in British Guiana reflects fears that, in spite of all the British can do, the PPP will win the forthcoming election.

Newly-adopted British registration procedures that discriminate against rural citizens, and intimidation by opposition squads, have not worked enough harm to keep registration from leaning toward the PPP. The PPP is taking part in the registration campaign, although no decision has been reached (as of June 8) about whether to contest or boycott the election, which the British plan for this November (1964). A Muslim Party has been formed to split the PPP vote, and efforts are underway to form a Hindu Party. To aid the splitting efforts, the British ruled that a party getting as few as two percent of

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the vote would win one legislative seat. Even the opposition leaders, Burnham and D'Aguiar, had asked for a ten percent elimination figure.

A Ghana government mission seeking a basis for PNC involvement in the government failed, even though the PPP made concessions that African leaders said were "very generous." After the Wismar riots Jagan asked the PNC to join in a coalition government in which PPP and PNC would have equal numbers of government ministers. The PNC is reportedly considering this offer at press time, and Prime Minister Williams of Trinidad and Tobago is reported to be trying to effect a settlement. The Guianese people are sick of the years of frustration and the violence, and pressure for agreement is very strong. Whether there can be peace and constructive cooperation depends not simply on the Guianese, however, but also on the United States whose obsession with communism is making a shambles of the lives of the naturally happy and generous people of this small and inoffensive land.

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(*continued from inside front cover*)

Philip Reno was born on his family's ranch in Idaho, between Idaho Falls and Salmon. He went to the University of Colorado where he studied economics, graduating *summa cum laude* in 1934, and later did graduate work in economics at Colorado and the University of New Mexico. He spent seven years in New Deal and wartime Washington, working for the Social Security Board and the War Labor Board. Since leaving Washington he has been educational director for the shipyard union in Baltimore (IUMSWA), precinct organization director for Colorado PAC, membership relations secretary for the National Farmers Union, and newspaper editor. He has traveled extensively in Latin America and in 1963 received a grant from the Louis M. Rabinowitz Foundation to study the problems of the British Guiana economy and society.

In order to give *The Ordeal of British Guiana* the widest possible circulation, we are also publishing it as a paperback book at a price of $1.45 per copy. We appeal to MR readers to do whatever they can to promote distribution in both magazine and book forms.

Gordon Lewis's *Puerto Rico: Freedom and Power in the Caribbean* and Danilo Dolci's *Waste,* two of MR Press's recent titles, continue to receive a good press. Says Stanford University's *Hispanic American Report* of *Puerto Rico*:

> The title of this book is a little unfortunate. It suggests that this is just another monograph about a small island. In fact, it is probably the most important book ever written about Puerto Rico, and one of the most significant studies of the whole Caribbean area. The writing is brilliant, in the classical tradition. . . . This book should be translated into Spanish to inform Latin Americans about the Puerto Rican problem. It could never be dismissed as U.S. propaganda, and it would enlighten Spanish Americans about an issue on which they are always willing to speak without much information or understanding.

And this is how Professor Joseph Bram, New York University anthropologist, evaluates the Lewis book in the influential *Library Journal*:

> It is startling . . . to have an erudite, witty, and eloquent author make the reader *rediscover* a society he thought he knew well, and, by the same token, cause him to re-evaluate critically most of the other studies dealing with the same area. . . . [Professor Lewis's] grasp of the total historical context, combined with the most intimate and perceptive knowledge of the local scene, turns his work into a masterful challenge to all serious students of the Puerto Rican society.

The Dolci book in its turn is the subject (along with Norman Lewis's *The Honored Society: A Searching Look at the Mafia*) of a featured review by Gabriel Gersh in *The Saturday Review* of June 6th. Gersh calls *Waste* "the third and best of his [Dolci's] surveys of Sicilian problems." Mr. Dolci, he notes, "has sometimes been accused of being an exhibitionist; others . . . have called him a saint. This book should correct the excesses, for it reveals his sheer competence. Its form is exactly what the subtitle says: 'an eye-witness report on some aspects of waste in western Sicily.' "

We have received a letter signed by W. H. Ferry, A. J. Muste, and I. F. Stone which we unfortunately lack the space to print in full. But at least we can record, and associate ourselves with, their appeal for "moral, intellectual, and financial support" of the new organization called Students for a Democratic Society which is concentrating its energies on "creating interracial movements in key Northern and border-state communities around such issues as jobs, housing, and schools." Contributions should be sent to SDS, Room 302, 119 Fifth Avenue, New York, N. Y., 10003.

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